

**SECURITIES AND EXCHANGE COMMISSION**  
**SEC FORM – ACGR**  
**ANNUAL CORPORATE GOVERNANCE REPORT**

**GENERAL INSTRUCTIONS**

**(A) Use of Form ACGR**

This SEC Form shall be used to meet the requirements of the Revised Code of Corporate Governance.

**(B) Preparation of Report**

These general instructions are not to be filed with the report. The instructions to the various captions of the form shall not be omitted from the report as filed. The report shall contain the numbers and captions of all items. If any item is inapplicable or the answer thereto is in the *negative*, an appropriate statement to that effect shall be made. Provide an explanation on why the item does not apply to the company or on how the company's practice differs from the Code.


**(C) Signature and Filing of the Report**

- A. Three (3) complete sets of the report shall be filed with the Main Office of the Commission.
- B. At least one complete copy of the report filed with the Commission shall be **manually** signed.
- C. All reports shall comply with the full disclosure requirements of the Securities Regulation Code.
- D. This report is required to be filed annually together with the company's annual report.

**(D) Filing an Amendment**

Any material change in the facts set forth in the report occurring within the year shall be reported through SEC Form 17-C. The cover page for the SEC Form 17-C shall indicate "Amendment to the ACGR".

**SECURITIES AND EXCHANGE COMMISSION**  
**SEC FORM – ACGR**  
**ANNUAL CORPORATE GOVERNANCE REPORT**

1. Report is Filed for the Year : **fiscal year ended 30 April 2015**
2. Exact Name of Registrant as Specified in its Charter. **BERJAYA PHILIPPINES INC.** 
3. **9<sup>th</sup> Floor Rufino Pacific Tower, 6784 Ayala Avenue**  
**corner V.A. Rufino Street, Makati City, Metro Manila**  
Address of Principal Office Postal Code
4. SEC Identification Number **476**
5. (SEC Use Only)  
Industry Classification Code
6. BIR Tax Identification Number **001-289-374**
7. **(632) 811-0668**  
Issuer's Telephone number, including area code
8. **Not Applicable**  
Former name or former address, if changed from the last report

## TABLE OF CONTENTS

<b>A. BOARD MATTERS</b> .....	<b>5</b>
1) BOARD OF DIRECTORS	
(a) Composition of the Board.....	5
(b) Corporate Governance Policy/ies.....	5
(c) Review and Approval of Vision and Vision.....	5
(d) Directorship in Other Companies.....	5
(e) Shareholding in the Company.....	6
2) CHAIRMAN AND CEO.....	6
3) PLAN FOR SUCCESSION OF CEO/MANAGING DIRECTOR/PRESIDENT AND TOP KEY POSITIONS.....	7
4) OTHER EXECUTIVE, NON-EXECUTIVE AND INDEPENDENT DIRECTORS.....	7
5) CHANGES IN THE BOARD OF DIRECTORS.....	7
6) ORIENTATION AND EDUCATION PROGRAM.....	8
<b>B. CODE OF BUSINESS CONDUCT &amp; ETHICS</b> .....	<b>9</b>
1) POLICIES.....	9
2) DISSEMINATION OF CODE.....	9
3) COMPLIANCE WITH CODE.....	9
4) RELATED PARTY TRANSACTIONS.....	9
(a) Policies and Procedures.....	9
(b) Conflict of Interest.....	10
5) FAMILY, COMMERCIAL AND CONTRACTUAL RELATIONS.....	10
6) ALTERNATIVE DISPUTE RESOLUTION.....	11
<b>C. BOARD MEETINGS &amp; ATTENDANCE</b> .....	<b>11</b>
1) SCHEDULE OF MEETINGS.....	11
2) DETAILS OF ATTENDANCE OF DIRECTORS.....	11
3) SEPARATE MEETING OF NON-EXECUTIVE DIRECTORS.....	11
4) QUORUM REQUIREMENT .....	11
5) ACCESS TO INFORMATION.....	11
6) EXTERNAL ADVICE.....	12
7) CHANGES IN EXISTING POLICIES.....	12
<b>D. REMUNERATION MATTERS</b> .....	<b>12</b>
1) REMUNERATION PROCESS.....	12
2) REMUNERATION POLICY AND STRUCTURE FOR DIRECTORS.....	13
3) AGGREGATE REMUNERATION .....	13
4) STOCK RIGHTS, OPTIONS AND WARRANTS.....	14
5) REMUNERATION OF MANAGEMENT.....	15
<b>E. BOARD COMMITTEES</b> .....	<b>15</b>
1) NUMBER OF MEMBERS, FUNCTIONS AND RESPONSIBILITIES.....	15
2) COMMITTEE MEMBERS.....	15
3) CHANGES IN COMMITTEE MEMBERS.....	17
4) WORK DONE AND ISSUES ADDRESSED.....	17
5) COMMITTEE PROGRAM.....	17
<b>F. RISK MANAGEMENT SYSTEM</b> .....	<b>17</b>
1) STATEMENT ON EFFECTIVENESS OF RISK MANAGEMENT SYSTEM.....	17
2) RISK POLICY.....	17
3) CONTROL SYSTEM.....	18
<b>G. INTERNAL AUDIT AND CONTROL</b> .....	<b>19</b>

1) STATEMENT ON EFFECTIVENESS OF INTERNAL CONTROL SYSTEM.....	19
2) INTERNAL AUDIT	
(a) Role, Scope and Internal Audit Function.....	19
(b) Appointment/Removal of Internal Auditor.....	19
(c) Reporting Relationship with the Audit Committee.....	19
(d) Resignation, Re-assignment and Reasons.....	19
(e) Progress against Plans, Issues, Findings and Examination Trends.....	20
(f) Audit Control Policies and Procedures.....	20
(g) Mechanisms and Safeguards.....	20
<b>H. ROLE OF STAKEHOLDERS.....</b>	<b>21</b>
<b>I. DISCLOSURE AND TRANSPARENCY.....</b>	<b>21</b>
<b>J. RIGHTS OF STOCKHOLDERS.....</b>	<b>23</b>
1) RIGHT TO PARTICIPATE EFFECTIVELY IN STOCKHOLDERS' MEETINGS.....	23
2) TREATMENT OF MINORITY STOCKHOLDERS.....	26
<b>K. INVESTORS RELATIONS PROGRAM.....</b>	<b>26</b>
<b>L. CORPORATE SOCIAL RESPONSIBILITY INITIATIVES.....</b>	<b>27</b>
<b>M. BOARD, DIRECTOR, COMMITTEE AND CEO APPRAISAL.....</b>	<b>27</b>
<b>N. INTERNAL BREACHES AND SANCTIONS.....</b>	<b>27</b>

**A. BOARD MATTERS**

1) Board of Directors

Number of Directors per Articles of Incorporation	6
---	---

Actual number of Directors for the year	6
---	---

(a) Composition of the Board

Complete the table with information on the Board of Directors:

Director's Name	Type [Executive (ED), Non-Executive (NED) or Independent Director (ID)]	If nominee, identify the principal	Nominator in the last election (if ID, state the relationship with the nominator)	Date first elected	Date last elected (if ID, state the number of years served as ID) <sup>1</sup>	Elected when (Annual /Special Meeting)	No. of years served as director
Dato Ibrahim Bin Saad	ID		Lim Meng Kwong (no relationship)	2012	2 October 2014 / 3 years	2 Oct 2014	3
Lim Meng Kwong	ED		Tan Eng Hwa (an officer)	2008		2 Oct 2014	7
Seow Swee Pin	NED		Tan Eng Hwa (an officer)	1996		2 Oct 2014	19
George T. Yang	ID		Lim Meng Kwong (no relationship)	1996	2 October 2014 / 3 years	2 Oct 2014	19
Jaime Y. Ladao	ID		Jose A. Bernas (counsel in one of the corporations where ID is Chairman)	2010	2 October 2014 / 3 years	2 Oct 2014	5
Jimmy S. Soo	NED		Lim Meng Kwong (no relationship)	2007 (until 2012) re-elected 2014	1	8 Dec 2014	6
					* the figures in this column follow the period in SEC Memorandum Circular 9 Series of 2011 which became effective 2 January 2012		

(b) Provide a brief summary of the corporate governance policy that the board of directors has adopted. Please emphasize the policy/ies relative to the treatment of all shareholders, respect for the rights of minority

<sup>1</sup> Reckoned from the election immediately following January 2, 2012, based on SEC Memorandum Circular No. 9, Series of 2011 .

shareholders and of other stakeholders, disclosure duties, and board responsibilities.

**Compliance with the principles of good corporate governance shall start with the Board of Directors. It shall be the Board's responsibility to foster the long-term success of the Corporation and secure its sustained competitiveness in a manner consistent with its fiduciary responsibility, which it shall exercise in the best interest of the Corporation, its shareholders and other stakeholders. The Board shall conduct itself with utmost honesty and integrity in the discharge of its duties, functions and responsibilities.**

(c) How often does the Board review and approve the vision and mission?

**The Board approves the Corporation's vision and mission every three (3) years.**

(d) Directorship in Other Companies

(i) Directorship in the Company's Group<sup>2</sup>

Identify, as and if applicable, the members of the company's Board of Directors who hold the office of director in other companies within its Group:

Director's Name	Corporate Name of the Group Company	Type of Directorship (Executive, Non-Executive, Independent). Indicate if director is also the Chairman.
Lim Meng Kwong	1. Philippine Gaming Management Corporation 2. Berjaya Foundation Inc. 3. Berjaya Pizza Philippines Inc. 4. Friendster Philippines Inc. 5. MOL AccessPortal Inc. 6. Perdana Land Philippines Inc.8. 7. Uniwiz Trade Sales Inc.	1. Executive 2. Executive 3. Non-Executive 4. Non-Executive 5. Non-Executive 6. Non-Executive 7. Non-Executive
Seow Swee Pin	1. Sports Toto Malaysia Sdn Bhd 2. Berjaya Sports Toto Berhad 3. Philippine Gaming Management Corporation	1. Executive 2. Executive 3. Chairman

(ii) Directorship in Other Listed Companies

Identify, as and if applicable, the members of the company's Board of Directors who are also directors of publicly-listed companies outside of its Group:

Director's Name	Name of Listed Company	Type of Directorship (Executive, Non-Executive, Independent). Indicate if director is also the Chairman.

(iii) Relationship within the Company and its Group

Provide details, as and if applicable, of any relation among the members of the Board of Directors, which

<sup>2</sup> The Group is composed of the parent, subsidiaries, associates and joint ventures of the company.

links them to significant shareholders in the company and/or in its group:

Director's Name	Name of the Significant Shareholder	Description of the relationship

- (iv) Has the company set a limit on the number of board seats in other companies (publicly listed, ordinary and companies with secondary license) that an individual director or CEO may hold simultaneously? In particular, is the limit of five board seats in other publicly listed companies imposed and observed? If yes, briefly describe other guidelines:

	Guidelines	Maximum Number of Directorships in other companies
<b>Executive Director</b>	No limit imposed on no. of board seats	
<b>Non-Executive Director</b>	No limit imposed on no. of board seats	
<b>CEO</b>	No limit imposed on no. of board seats	

- (e) Shareholding in the Company

Complete the following table on the members of the company's Board of Directors who directly and indirectly own shares in the company:

Name of Director	Number of Direct shares	Number of Indirect shares / Through (name of record owner)	% of Capital Stock
Dato Ibrahim Bin Saad	1		.00000001%
Lim Meng Kwong	526,657		.059%
Seow Swee Pin	16		.00000001%
George T. Yang	16		.00000001%
Jaime Y. Ladao	16		.00000001%
Jimmy S. Soo	15		.00000001%
<b>TOTAL</b>	<b>526,721</b>		

## 2) Chairman and CEO

- (a) Do different persons assume the role of Chairman of the Board of Directors and CEO? If no, describe the checks and balances laid down to ensure that the Board gets the benefit of independent views.

Yes

No

Identify the Chair and CEO:

Chairman of the Board	<b>Dato Ibrahim Bin Saad</b>
CEO/President	<b>Lim Meng Kwong</b>

- (b) Roles, Accountabilities and Deliverables

Define and clarify the roles, accountabilities and deliverables of the Chairman and CEO.

	Chairman	Chief Executive Officer
Role	The Chairman of the Board, if present, preside at all meetings of the Board of Directors. He shall perform such other duties as shall, from time to time, be	(a) Preside at all meetings of the stockholders and of directors in the absence of the Chairman and submit reports of the operations of the Corporation to the Board of

	<p>assigned to him by the Board of Directors.</p>	<p>Directors and an annual report thereof to the stockholders at the annual meeting;</p> <p>(b) Have direct and active management of the business and operations of the Corporation, conducting the same according to the orders, resolutions and instructions of the Board of Directors, and according to his own discretion whenever and wherever the same is not expressly limited by such orders, resolutions and instructions, and exercise general supervision over all the other officers of the Corporation;</p> <p>(c) With the approval of the Board of Directors, to borrow money for the Corporation by any legal means whatsoever, including the arrangement of letters of credit and overdraft and other credit facilities with any and all banking or lending institutions, and to execute on behalf of the Corporation all contracts and agreements which the said Corporation may enter into;</p> <p>(d) To appoint and at his discretion remove or suspend any or all of the agents, employees and other subordinate personnel of the Corporation, prescribe their duties and fix or change from time to time their respective salaries or wages, and require certain guarantees or bonds in such amounts as he may determine to secure the faithful discharge by certain employees or agents of their official trust, and to exercise general superintendence and direction over all the agents, employees and other subordinate personnel of the Corporation, and see to it that their respective duties are properly performed;</p> <p>(e) Submit to the Board of Directors such statements, reports, memoranda and accounts as the latter may require and prepare such statements and reports as may be required from time to time by law with respect to corporations organized according to the laws of the Republic of the Philippines; and</p> <p>(f) Exercise such other powers and perform such other duties as the Board of Directors may, from time to time, fix or delegate.</p> <p>The President may, with the approval of the Board of Directors, delegate any of the foregoing powers and duties to any other officers, employee or agent of the Corporation.</p>
--	---	---



Accountabilities		
Deliverables		

3) Explain how the board of directors plans for the succession of the CEO/Managing Director/President and the top key management positions?

**There is no policy on the succession of CEO/Managing Director/President and other key management positions.**

4) Other Executive, Non-Executive and Independent Directors

Does the company have a policy of ensuring diversity of experience and background of directors in the board?

**The company requires diversity of experience and background of directors in the board.**

Does it ensure that at least one non-executive director has an experience in the sector or industry the company belongs to?

**Yes, the company ensures that at least one non-executive director has experience in the sector or industry the company belongs to; that it has at least one director who can add value and contribute independent judgment to the formulation of sound corporate strategies and policies.**

Define and clarify the roles, accountabilities and deliverables of the Executive, Non-Executive and Independent Directors:

	Executive	Non-Executive	Independent Director
Role	By definition in the Corporation Code and By-Laws of the Corporation, the President is the Chief Executive Officer of the Board. He shall preside in all meetings of the Board and stockholders in the absence of Chairman. He shall initiate and develop corporate objectives and policies and formulate long range projects, plans and programs for the approval of the board, including those for executive training, development, and compensation. General supervision and management of business affairs and property of the Corporation. Ensures administrative and operational policies of the corporation are carried out under his supervision and control. Power to appoint, remove, suspend, or discipline employees, prescribe their duties and determine their salaries subject to guidelines prescribed by law. Oversee preparation of budgets and statement of accounts. Prepare statements and reports required by law. Represent the Corporation at functions and proceedings. Execute, on behalf of the Corporation, contracts, agreements, and other instructions, which requires the	They should be able to effectively participate in the deliberations of the Board	They should be able to effectively participate in the deliberations of the Board

	approval of the board. Make reports to the board and stockholders. Sign stock certificates. Perform other duties incidental to his position or entrusted to him by the board.		
Account abilities	The powers, roles, responsibilities and accountabilities are stated in both Corporate Governance Manual and Corporation's By-Laws	The powers, roles, responsibilities and accountabilities are stated in both Corporate Governance Manual and Corporation's By-Laws	The powers, roles, responsibilities and accountabilities are stated in both Corporate Governance Manual and Corporation's By-Laws
Deliverables			

Provide the company's definition of "independence" and describe the company's compliance to the definition.

A person other than an officer or employee of the corporation, its parent or subsidiaries, or any other individual having any relationship with the corporation, which would interfere with the exercise of independent judgment in carrying out the responsibilities of a director.

Apart from his fees and shareholdings, is independent of management and free from any business or other relationship which could, or could reasonably be perceived to be, materially interfere with the exercise of independent judgment in carrying out his responsibilities as a director of the Corporation.

Does the company have a term limit of five consecutive years for independent directors? If after two years, the company wishes to bring back an independent director who had served for five years, does it limit the term for no more than four additional years?

The company provides for a term limit of five (5) consecutive years for independent directors, with a second five (5) consecutive term limit after the lapse of a two-year cooling off period pursuant to SEC Memorandum Circular No. 9, Series of 2011. The company began counting the term limit of five years from 2 January 2012, the effectivity date of SEC Memorandum Circular No. 9, Series of 2011.

5) Changes in the Board of Directors (Executive, Non-Executive and Independent Directors)

(a) Resignation/Death/Removal – **Not Applicable**

Indicate any changes in the composition of the Board of Directors that happened during the period:

Name	Position	Date of Cessation	Reason

(b) Selection/Appointment, Re-election, Disqualification, Removal, Reinstatement and Suspension

Describe the procedures for the selection/appointment, re-election, disqualification, removal, reinstatement and suspension of the members of the Board of Directors. Provide details of the processes adopted (including the frequency of election) and the criteria employed in each procedure:

**On 2 October 2014, stockholders representing at least 2/3 of the capital of the Corporation ratified the resolution of the Board to increase the number of directors from five (5) to six (6). On 8 December 2014, Mr. Jimmy S. Soo was elected 6<sup>th</sup> director.**

Procedure	Process Adopted	Criteria
<b>a. Selection/Appointment</b>		

(i) Executive Director	Screening by the existing Board and by election of majority of shareholders	He should possess the qualification, knowledge in the industry, and stature that would enable him to participate in the Board and improve the performance or net worth of the company. Should not possess any of the grounds for disqualifications as provided for by law.
(ii) Non-Executive Directors	Screening by the existing Board and by election of majority of shareholders	They should possess the qualification, knowledge in the industry, and stature that would enable them to participate in the Board and improve the performance or net worth of the company. Should not possess any of the grounds for disqualifications as provided for by law.
(iii) Independent Directors	Screening by the Board of Directors and by election of majority of shareholders	They should possess the qualification, knowledge in the industry, and stature that would enable them to participate in the Board and improve the company's performance or net worth. Should not possess any of the grounds for disqualifications as provided for by law. Must be at least a college graduate, or he shall have been engaged or exposed to the business of the corporation for at least 5 years. He shall possess integrity / probity. He shall be assiduous.
<b>b. Re-appointment</b>		
(i) Executive Directors	Screening by the Board of Directors and by election of majority of shareholders	They should possess the qualification, knowledge in the industry, and stature that would enable them to participate in the Board and improve the company as a whole. Should not possess any of the grounds for disqualifications as provided for by law.
(ii) Non-Executive Directors	Screening by the Board of Directors and by election of majority of shareholders	They should possess the qualification, knowledge in the industry, and stature that would enable them to participate in the Board and improve the company as a whole. Should not possess any of the grounds for disqualifications as provided for by law.
(iii) Independent Directors	Screening by the Board of Directors and by election of majority of shareholders	They should possess the qualification, knowledge in the industry, and stature that would enable them to participate in the Board and improve the company as a whole. Should not possess any of the grounds for disqualifications as provided for by law. Must be at least a college graduate, or he shall have been engaged or exposed to the

		business of the corporation for at least 5 years. He shall possess integrity / probity. He shall be assiduous.
<b>c. Permanent Disqualification</b>		
(i) Executive Directors	Screening by the Board of Directors.	<p>Any person convicted by final judgment or order by a competent Judicial or administrative body of any crime that :</p> <ul style="list-style-type: none"> <li>- involves the purchase of or sale of securities as defined in the Securities Regulation Code</li> <li>- arises out of the person’s conduct as an underwriter, broker, dealer, investment adviser, principal distributor, mutual fund dealer, futures commission merchant, commodity trading advisor or floor broker; or</li> <li>- arises out of his fiduciary relationship with a bank, quasi-bank, trust company, investment house, or as an affiliated person or any of them</li> </ul> <p>Any person who, by reason of misconduct, after hearing, is permanently enjoined by final judgment or order of the Commission or any court or administrative body of competent jurisdiction from:</p> <ul style="list-style-type: none"> <li>- acting as underwriter, broker, dealer, investment adviser, principal distributor, mutual fund dealer, futures commission merchant, commodity trading advisor or floor broker;</li> <li>- acting as director or officer of a bank, quasi-bank, trust company,</li> <li>- engaging in or continuing any conduct or practice in any of the capacities mentioned in the subparagraphs above, or willfully violating the laws that govern securities and banking activities;</li> </ul> <p>Any person who is currently the subject of an order of the Commission or any court or administrative body denying, revoking, or suspending any registration, license, or permit issued to him under the Corporation Code, Securities Regulation Code, or any other law administered by the Commission or Bangko Sentral ng Pilipinas, or under any rule or regulation issued</p>

		<p>by the Commission or BSP</p> <p>Any person who has been restrained to engage in any activity involving securities and banking</p> <p>Any person who is currently the subject of an effective order of a self regulatory organization suspending or expelling him from membership, participation or association with a member or participant of the organization</p> <p>Any person finally convicted judicially of an offense involving moral turpitude or fraudulent act or transgressions;</p> <p>Any person finally found by the Commission or a court or other administrative body to have willfully violated, or willfully aided, abetted, counseled, induced or procured the violation of, any provision of the SRC the Corporation Code, or any other law administered by the Commission or BSP, or any rule, regulation or order of the Commission or BSP;</p> <p>Any person judicially declared to be insolvent</p> <p>Any person finally found guilty by a foreign court or equivalent financial regulatory authority of acts, violations or misconduct similar to any of the acts, violations or misconduct listed in the foregoing paragraphs; and</p> <p>Conviction by final judgment of an offense punishable by imprisonment for a period exceeding six (6) years, or a violation of the Corporation Code, committed within five (5) years prior to the date of his election or appointment</p>
(ii) Non-Executive Directors	Screening by the nomination committee.	Convicted by final judgment of an offense punishable by imprisonment for a period of 6 years, or a violation of the Corporation Code committed within 5 years prior to the date of election
(iii) Independent Directors	Screening by the Board of	Same as above

	Directors	
<b>d. Temporary Disqualification</b>		
(i) Executive Directors	Screening by the Board of Directors.	Refusal to fully disclose the extent of his business. Absence or non-participation for whatever reason/s for more than 50% of all meetings, both regular and special, during his incumbency, or any 12 months period during said incumbency. Dismissal / termination from directorship in another listed company for cause. Being under preventive suspension by the corporation. If the Independent Director becomes an officer or employee of the same corporation. If the beneficial security ownership in the company or in its related companies shall exceed the 10% limit. Conviction that has not yet become final referred to in the grounds for the disqualification of directors.
(ii) Non-Executive Directors	Screening by the Board of Directors.	
(iii) Independent Directors	Screening by the nomination committee.	
<b>e. Removal</b>		
(i) Executive Directors	Vote from office by a vote of the stockholders holding or representing at least 2/3 of the outstanding capital stock	With or without cause.
(ii) Non-Executive Directors	Vote from office by a vote of the stockholders holding or representing at least 2/3 of the outstanding capital stock	With or without cause.
(iii) Independent Directors	Vote from office by a vote of the stockholders holding or representing at least 2/3 of the outstanding capital stock	<p>He becomes an officer or employee of the corporation where he sits as independent director, or becomes any of the persons listed below:</p> <ol style="list-style-type: none"> <li>1. Director or officer of substantial stockholder of the corporation or any of its related companies or any of its substantial shareholders.</li> <li>2. Relative of any director, officer, or substantial shareholder, any of its related companies and substantial shareholders.</li> <li>3. Not acting as nominee or representative of a substantial shareholder of the corporation, any of its related companies, or any of its substantial shareholders.</li> <li>4. Has been employed in any executive capacity by the corporation, any of its related companies, or by any of its</li> </ol>

		<p>substantial shareholders within the last 5 years.</p> <p>5. Retained as professional adviser by the company, any of its related companies, or any of its substantial shareholders, either personally or through his firm.</p> <p>6. Engaged in any transaction with the company, any of its related companies, or any of its substantial shareholders, whether by himself or with other persons or through a firm of which he is a partner or a company of which he is a director or substantial shareholder, other than transactions which are conducted at arms length and are immaterial or insignificant.</p> <p>His beneficial ownership exceeds 10% of the outstanding capital stock. Fails, without any justifiable cause, to attend at least 50% of the total number of Board meetings during his incumbency unless due to grave illness or death of an immediate family.</p>
<b>f. Re-instatement</b>		
(i) Executive Directors	Screening by the nomination committee. By approval of the Board of Directors	Same criteria and disqualifications for appointment or selection.
(ii) Non-Executive Directors	Screening by the nomination committee. By approval of the Board of Directors	Same criteria and disqualifications for appointment or selection.
(iii) Independent Directors	Screening by the nomination committee. By approval of the Board of Directors	Same criteria and disqualifications for appointment or selection.
<b>g. Suspension</b>		
(i) Executive Directors	By approval of the Board of Directors	Convicted by final judgment of an offense punishable by imprisonment for a period of 6 years, or a violation of the Corporation Code committed within 5 years prior to the date of election
(ii) Non-Executive Directors	By approval of the Board of Directors	
(iii) Independent Directors	By approval of the Board of Directors	

Name of Director
Dato Seri Ibrahim Bin Saad
Lim Meng Kwong
Seow Swee Pin
George T. Yang
Jaime Y. Ladao

6) Orientation and Education Program –

- (a) Disclose details of the company's orientation program for new directors, if any.

**Attendance in seminars and programs.**

- (b) State any in-house training and external courses attended by Directors and Senior Management<sup>3</sup> for the past three (3) years: **None**
- (c) Continuing education programs for directors: programs and seminars and roundtables attended during the year.

Name of Director/Officer	Date of Training	Program	Name of Training Institution
Dato Ibrahim Saad	28 April 2015	Corporate Governance Seminar	Philippine Corporate Enhancement and Governance Inc.
Lim Meng Kwong	28 April 2015	Corporate Governance Seminar	Philippine Corporate Enhancement and Governance Inc.
Seow Swee Pin	28 April 2015	Corporate Governance Seminar	Philippine Corporate Enhancement and Governance Inc.
Tan Eng Hwa	28 April 2015	Corporate Governance Seminar	Philippine Corporate Enhancement and Governance Inc.
George T. Yang	21 October 2014	Corporate Governance Forum	Institute of Corporate Directors
Jimmy S. Soo			

**B. CODE OF BUSINESS CONDUCT & ETHICS**

- 1) Discuss briefly the company's policies on the following business conduct or ethics affecting directors, senior management and employees:

While the Company's Code of Business Conduct and Ethics covers employees, the company currently does not have employees.

Business Conduct & Ethics	Directors	Senior Management	Employees
(a) Conflict of Interest	Any direct or indirect interest in, connection with, or benefits from business or commercial activities which will in any way adversely affect the company	Any direct or indirect interest in, connection with, or benefits from business or commercial activities which will in any way adversely affect the company	Any direct or indirect interest in, connection with, or benefits from business or commercial activities which will in any way adversely affect the company
(b) Conduct of	Ownership of material	Ownership of material	Ownership of material

<sup>3</sup> Senior Management refers to the CEO and other persons having authority and responsibility for planning, directing and controlling the activities of the company.



Business and Fair Dealings	interest or acting in any capacity with which the company does business which will directly or indirectly influence the terms and conditions of any business deal or transaction with the company such as sale, purchase or award	interest or acting in any capacity with which the company does business which will directly or indirectly influence the terms and conditions of any business deal or transaction with the company such as sale, purchase or award	interest or acting in any capacity with which the company does business which will directly or indirectly influence the terms and conditions of any business deal or transaction with the company such as sale, purchase or award
(c) Receipt of gifts from third parties	Direct or indirect acceptance of payments, services or loans from a supplier, contractor, subcontractor, customer or other entity with which the company does business and the receiver is directly responsible for the functional area is not allowed	Direct or indirect acceptance of payments, services or loans from a supplier, contractor, subcontractor, customer or other entity with which the company does business and the receiver is directly responsible for the functional area is not allowed	Direct or indirect acceptance of payments, services or loans from a supplier, contractor, subcontractor, customer or other entity with which the company does business and the receiver is directly responsible for the functional area is not allowed
(d) Compliance with Laws & Regulations	Company complies with all laws and regulations affecting its business operation	Company complies with all laws and regulations affecting its business operation	Company complies with all laws and regulations affecting its business operation
(e) Respect for Trade Secrets/Use of Non-public Information	The company respects trade secrets and use of non-public information with utmost confidentiality	The company respects trade secrets and use of non-public information with utmost confidentiality	The company respects trade secrets and use of non-public information with utmost confidentiality
(f) Use of Company Funds, Assets and Information	Company abides by policies	Company abides by policies	Company abides by policies
(g) Employment & Labor Laws & Policies	Company abides by all labor laws and policies	Company abides by all labor laws and policies	Company abides by all labor laws and policies
(h) Disciplinary action	Company abides by all labor laws and policies	Company abides by all labor laws and policies	Company abides by all labor laws and policies
(i) Whistle Blower	Company abides by policies	Company abides by policies	Company abides by policies
(j) Conflict Resolution	There is a provision for conflict resolution	There is a provision for conflict resolution.	There is a provision for conflict resolution.

2) Has the code of ethics or conduct been disseminated to all directors, senior management and employees? **YES**

3) Discuss how the company implements and monitors compliance with the code of ethics or conduct.

The company does not have employees. It has 5 directors, 5 officers, and an Audit Committee composed of 3 directors who are transparent, responsible and highly motivated. They monitor each other's compliance with the code of ethics or conduct and are responsible for fostering the long term success of the company, and in sustaining the competitiveness and profitability thereof in a manner consistent with its corporate objectives and the best interest of its stockholders.

4) Related Party Transactions

(a) Policies and Procedures

Describe the company’s policies and procedures for the review, approval or ratification, monitoring and recording of related party transactions between and among the company and its parent, joint ventures, subsidiaries, associates, affiliates, substantial stockholders, officers and directors, including their spouses, children and dependent siblings and parents and of interlocking director relationships of members of the Board.

**The Corporation adheres to the requirements of Section 33 of the Corporation Code with respect to interlocking directors.**

Related Party Transactions	Policies and Procedures
(1) Parent Company	
(2) Joint Ventures	
(3) Subsidiaries	
(4) Entities Under Common Control	
(5) Substantial Stockholders	
(6) Officers including spouse/children/siblings/parents	
(7) Directors including spouse/children/siblings/parents	
(8) Interlocking director relationship of Board of Directors	

(b) Conflict of Interest –

**There are no conflicts of interest between the corporation’s directors, officers, and shareholders owning at least 5% of the corporation’s outstanding capital stock.**

(i) Directors/Officers and 5% or more Shareholders

Identify any actual or probable conflict of interest to which directors/officers/5% or more shareholders may be involved.

Even if Mr. Seow Swee Pin holds an executive position with Berjaya Sports Toto, we do not foresee a probable conflict. Mr. Seow does not participate nor vote in matters affecting the major stockholder concerned.

	Details of Conflict of Interest (Actual or Probable)
Name of Director/s	Seow Swee Pin
Name of Officer/s	
Name of Significant Shareholders	Berjaya Sports Toto

(ii) Mechanism – **The corporation has no mechanism to detect, determine, and resolve possible conflict of interest between the company and/or its group and their directors, officers and significant shareholders.**

Describe the mechanism laid down to detect, determine and resolve any possible conflict of interest between the company and/or its group and their directors, officers and significant shareholders.

	Directors/Officers/Significant Shareholders
Company	
Group	

5) Family, Commercial and Contractual Relations – **There are no relation of a family, commercial, contractual or business nature that exists between the holders of significant equity, to the extent that they are known to the company.**

(a) Indicate, if applicable, any relation of a family,<sup>4</sup> commercial, contractual or business nature that exists between the holders of significant equity (5% or more), to the extent that they are known to the company:

Names of Related Significant Shareholders	Type of Relationship	Brief Description of the Relationship

(b) Indicate, if applicable, any relation of a commercial, contractual or business nature that exists between the holders of significant equity (5% or more) and the company:

Names of Related Significant Shareholders	Type of Relationship	Brief Description

(c) Indicate any shareholder agreements that may impact on the control, ownership and strategic direction of the company:

**There are no shareholders agreements that may impact on the control, ownership, and strategic direction of the company.**

Name of Shareholders	% of Capital Stock affected (Parties)	Brief Description of the Transaction

6) Alternative Dispute Resolution

**The company has no alternative dispute resolution system in amicably settling conflicts or differences between the corporation and its stockholders, and the corporation and third parties, including regulatory authorities.**

Describe the alternative dispute resolution system adopted by the company for the last three (3) years in amicably settling conflicts or differences between the corporation and its stockholders, and the corporation and third parties, including regulatory authorities.

	Alternative Dispute Resolution System
Corporation & Stockholders	
Corporation & Third Parties	
Corporation & Regulatory Authorities	

**C. BOARD MEETINGS & ATTENDANCE**

1) Are Board of Directors’ meetings scheduled before or at the beginning of the year?

<sup>4</sup> Family relationship up to the fourth civil degree either by consanguinity or affinity.

The Board of Directors' meetings are scheduled before or at the beginning of the year and as the need arises.

2) Attendance of Directors

Board	Name	Date of Election	No. of Meetings Held during the year	No. of Meetings Attended	%
Chairman	Dato Ibrahim Bin Saad	10-02-14	16	16	100%
President	Lim Meng Kwong	10-02-14	16	14	87%
Member	Seow Swee Pin	10-02-14	16	14	87%
Independent	George T. Yang	10-02-14	16	14	87%
Independent	Jaime Y Ladao	10-02-14	16	14	87%
Member	Jimmy S. Soo	12-8-14	7	7	100%

3) Do non-executive directors have a separate meeting during the year without the presence of any executive? If yes, how many times?

**Non-executive directors do not hold separate meetings during the year without the presence of any executive.**

4) Is the minimum quorum requirement for Board decisions set at two-thirds of board members? Please explain.

**Article 2 Section 2 of the Corporation's By-Laws states that "The directors shall act only as a Board, and the individual directors shall have no power as such. A majority of the directors shall be necessary at all meetings to constitute a quorum for the transaction of any business, and every decision of a majority of the quorum duly assembled as a Board shall be valid as a corporate act."**

5) Access to Information

(a) How many days in advance are board papers<sup>5</sup> for board of directors meetings provided to the board?

**The board papers are provided to the board on the day of the scheduled meeting unless the matter to be taken up is extensive or requires advance reading or review.**

(b) Do board members have independent access to Management and the Corporate Secretary?

**The board members have independent access to Management and the Corporate Secretary.**

(c) State the policy of the role of the company secretary. Does such role include assisting the Chairman in preparing the board agenda, facilitating training of directors, keeping directors updated regarding any relevant statutory and regulatory changes, etc?

**The duties and responsibilities of the Corporate Secretary include the following:**

Based on the Corporation's By-Laws -

- (a) Keep full minutes of all meetings of the Board of Directors and of the stockholders;
- (b) Keep the stock and transfer book and the corporate seal, which he shall stamp on all documents requiring such seal of the Corporation.
- (c) Fill and countersign the certificates of stock issued, making the corresponding annotation on the margin or stub of such certificates upon issuance;
- (d) Give, or cause to be given, all notices required by law or by the By-Laws of the Corporation as well as notices of all meetings of the Board of Directors and of the stockholders;
- (e) Perform such other duties as may be prescribed by the Board of Directors or the President.

<sup>5</sup> Board papers consist of complete and adequate information about the matters to be taken in the board meeting. Information includes the background or explanation on matters brought before the Board, disclosures, budgets, forecasts and internal financial documents.

Based on the Corporation's Revised Manual on Corporate Governance -

- Work fairly and objectively with the Board, Management and stockholders;
- Have appropriate administrative and interpersonal skills;
- Be aware of the laws, rules and regulations necessary in the performance of his duties and responsibilities;
- Understand the operations of the Corporation;
- Prepare the Agenda, Issue Notices of meetings in accordance with the By-Laws;
- Attend all Board meetings, except for justifiable causes;
- Ensure that all Board procedures, rules and regulations are strictly followed by the members;
- Perform all the duties and responsibilities of a Compliance Officer as provided for under the Code, if he is also the Compliance Officer;
- Issue a Certification on or before the 30<sup>th</sup> day of January of each year, on the attendance of directors in directors meetings of the board, countersigned by the Chairman of the Board pursuant to SEC Memorandum Circular No. 3, Series of 2007.

(d) Is the company secretary trained in legal, accountancy or company secretarial practices? Please explain should the answer be in the negative.

**The company secretary and assistant company secretary are both attorneys in the active practice of law .**

(e) Committee Procedures

Disclose whether there is a procedure that Directors can avail of to enable them to get information necessary to be able to prepare in advance for the meetings of different committees:

Yes  No

Committee	Details of the procedures
Executive	
Audit	Prior to the commencement of yearly financial audit, the Audit Committee discusses with external auditor the nature, scope and expenses of audit, and ensure proper coordination
Nomination	The company does not have a Nomination Committee and the company's corporate governance manual does not provide for one.
Remuneration	The company does not have a Nomination Committee and the company's corporate governance manual does not provide for one.
Others (specify)	

6) External Advice

**There is no procedure provided by the corporation whereby directors can receive external advise. There is also no prohibition.**

Indicate whether or not a procedure exists whereby directors can receive external advice and, if so, provide details:

Procedures	Details

7) Change/s in existing policies

**There are no changes introduced by the Board of Directors on existing policies that may have an effect on the business of the company.**

Indicate, if applicable, any change/s introduced by the Board of Directors (during its most recent term) on existing policies that may have an effect on the business of the company and the reason/s for the change:

Existing Policies	Changes	Reason

#### D. REMUNERATION MATTERS

##### 1) Remuneration Process

Disclose the process used for determining the remuneration of the CEO and the four (4) most highly compensated management officers:

Process	CEO	Top 4 Highest Paid Management Officers
(1) Fixed remuneration	The CEO does not receive a fixed remuneration.	Management Officers do not receive a fixed remuneration from the Company.
(2) Variable remuneration	The CEO does not receive variable remuneration.	Management Officers do not receive variable remuneration from the Company.
(3) Per diem allowance	The CEO receives per diems on an annual basis based on the existing company policy on per diems or allowances	All members of the board receive per diems on an annual basis based on the existing company policy on per diems or allowances
(4) Bonus	The CEO does not and has not received a bonus.	The Board does not and has not received a bonus .
(5) Stock Options and other financial instruments	none	none
(6) Others (specify)		

##### 2) Remuneration Policy and Structure for Executive and Non-Executive Directors

Disclose the company's policy on remuneration and the structure of its compensation package. Explain how the compensation of Executive and Non-Executive Directors is calculated.

There is no remuneration, salary or compensation package, except for the Chairman.

	Remuneration Policy	Structure of Compensation Packages	How Compensation is Calculated
Executive Directors	Chairman : RM10,000.00	Fixed monthly	.
Non-Executive Directors			

Do stockholders have the opportunity to approve the decision on total remuneration (fees, allowances, benefits-in-kind and other emoluments) of board of directors? Provide details for the last three (3) years.

**Stockholders do not have the opportunity to approve the decision on total remuneration.**

Remuneration Scheme	Date of Stockholders' Approval

3) Aggregate Remuneration

Complete the following table on the aggregate remuneration accrued during the most recent year:

Remuneration Item	Executive Directors	Non-Executive Directors (other than independent directors)	Independent Directors
(a) Fixed Remuneration	The Chairman receives a monthly remuneration of RM10,000.00 Malaysian Ringgit or its equivalent in pesos	none	none
(b) Variable Remuneration	none	none	none
(c) Per diem Allowance	P450,000.00 paid for all meetings held from Oct 2014 to Oct 2015	P350,000.00 paid director for all meetings held from Oct 2014 to Oct 2015	P700,000.00 for all meetings held from Oct 2014 to Oct 2015
(d) Bonuses	none	none	none
(e) Stock Options and/or other financial instruments	none	none	None
(f) Others (Specify)			
<b>Total</b>			

Other Benefits	Executive Directors	Non-Executive Director (other than independent directors)	Independent Directors
1) Advances	none	none	none
2) Credit granted	none	none	none
3) Pension Plan/s Contributions	none	none	none
(d) Pension Plans, Obligations incurred	none	none	none
(e) Life Insurance Premium	none	none	none
(f) Hospitalization Plan	none	none	none
(g) Car Plan	none	none	none
(h) Others (Specify)	none	none	none
<b>Total</b>			

4) Stock Rights, Options and Warrants

(a) Board of Directors

Complete the following table, on the members of the company's Board of Directors who own or are entitled to stock rights, options or warrants over the company's shares: **There is none.**

Director's Name	Number of Direct Option/Rights/Warrants	Number of Indirect Option/Rights/Warrants	Number of Equivalent Shares	Total % from Capital Stock

(b) Amendments of Incentive Programs

**The company has no incentive programs.**

Indicate any amendments and discontinuation of any incentive programs introduced, including the criteria used in the creation of the program. Disclose whether these are subject to approval during the Annual Stockholders' Meeting:

Incentive Program	Amendments	Date of Stockholders' Approval

5) Remuneration of Management

**There are no members of management who are not at the same time directors or officers.**

Identify the five (5) members of management who are not at the same time executive directors and indicate the total remuneration received during the financial year:

Name of Officer/Position	Total Remuneration

**E. BOARD COMMITTEES**

1) Number of Members, Functions and Responsibilities

Provide details on the number of members of each committee, its functions, key responsibilities and the power/authority delegated to it by the Board:



Committee	No. of Members			Committee Charter	Functions	Key Responsibilities	Power
	Executive Director or (ED)	Non-executive Director or (NED)	Independent Director (ID)				
Executive							
Audit		1	2		Assists the Board in the performance of its oversight responsibility for the financial reporting process, system of internal control, audit process, and monitoring of compliance with applicable laws, rules and regulations, among others		
Nomination							
Remuneration							
Strategic Planning							

## 2) Committee Members

### (a) Executive Committee

Office	Name	Date of Appointment	No. of Meetings Held	No. of Meetings Attended	%	Length of Service in the Committee

### (b) Audit Committee

Officer	Name	Date of Appointment	No. of Meetings Held	No. of Meetings Attended	%	Length of Service in the Committee
Chairman	Jaime Y. Ladao	10-2-14	4	4	100	
Member (ID)	George T. Yang	10-2-14	4	4	100	
Member (NED)	Seow Swee Pin	10-2-14	4	4	100	

The Audit Committee performs the following functions:

- Assist the Board in the performance of its oversight responsibility for the financial reporting process, system of internal control, and monitoring of compliance with applicable laws, rules and regulations;
- Provide oversight over Management’s activities in managing credit, market, liquidity, operational, legal, and other risks of the corporation. This function includes regular receipt from Management of information on risk exposures and risk management activities;
- Perform oversight functions over its internal and external auditors. It ensures that the internal and external auditors act independently from each other, and that both are given unrestricted access to all records, properties and personnel to enable them to perform their respective audit functions;
- Review the annual internal audit plan to ensure its conformity with the objective of the corporation. This plan includes audit scope, resources and budget necessary to implement it;
- Prior to commencement of yearly financial audit, discuss with the external auditor the nature, scope and expenses of audit, and ensure proper coordination If more than one audit firm is involved in the activity to secure proper coverage and minimize duplication of efforts;
- Monitor and evaluate the adequacy and effectiveness of the corporation’s internal control system, including financial reporting control and information technology security;
- Review the reports submitted by the internal and external auditors;
- Review the quarterly, half-year and annual financial statements before their submission to the Board, with particular focus on the following matters:
  - (i) any change in accounting policies and practices
  - (ii) major judgmental areas
  - (iii) significant adjustments resulting from the audit
  - (iv) going concern assumptions
  - (v) compliance with accounting standards
  - (vi) compliance with tax, legal and regulatory requirements
- The Committee shall disallow any non-audit work that will conflict with his duties as an external auditor or may pose a threat to his independence. The non-audit work, if allowed, should be disclosed in the corporation’s annual report;
- Establish and identify the reporting line of the Internal Auditor to enable him to properly fulfill his duties and responsibilities. He shall functionally report directly to the Audit Committee;
- The Audit Committee shall ensure that, in the performance of the work of the Internal Auditor, he shall be free from interference by outside parties;
- Under its supervision, the formulation of rules and procedures on financial reporting and internal control in accordance with the following guidelines:
  - (a) The extent of responsibility in the preparation of the financial statements, with the corresponding delineation of the responsibilities that pertain to the external auditor, should be clearly explained;
  - (b) An effective system of internal control that will ensure the integrity of the financial reports and protection of the assets of the corporation should be maintained;
  - (c) On the basis of the approved audit plans, internal audit examinations should cover, at the minimum, the evaluation of the adequacy and effectiveness of control that cover the corporation’s governance, operations and information systems, including reliability and integrity of financial and operational information effectiveness and efficiency of operations, protection of assets, and compliance with contracts, laws, rules and regulations.
  - (d) The external auditor should be rotated or changed every five (5) years or earlier, or the signing partner of the external auditing firm assigned to the corporation, should be changed with the same frequency. The annual report should include significant risk exposures, control issues and such other matters as may be deemed necessary or requested by the Board and Management.

(c) Nomination Committee

The Company does not have a Nomination Committee

Office	Name	Date of Appointment	No. of Meetings Held	No. of Meetings Attended	%	Length of Service in the Committee

							e

(d) Remuneration Committee

The Company does not have a Remuneration Committee.

Office	Name	Date of Appointment	No. of Meetings Held	No. of Meetings Attended	%	Length of Service in the Committee

(e) Strategic Planning Committee

Provide the same information on all other committees constituted by the Board of Directors:

Office	Name	Date of Appointment	No. of Meetings Held	No. of Meetings Attended	%	Length of Service in the Committee

3) Changes in Committee Members

**There are no changes in committee membership that occurred during the year.**

Indicate any changes in committee membership that occurred during the year and the reason for the changes:

Name of Committee	Name	Reason
Executive		
Audit		
Nomination		
Remuneration		
Others (specify)		

4) Work Done and Issues Addressed

Describe the work done by each committee and the significant issues addressed during the year.

Name of Committee	Work Done	Issues Addressed
Executive		

Audit	Supervision of external auditor; Review of Audited Financial Statements before presenting to the Board for approval.	
Nomination	There is no Nomination Committee	
Remuneration	There is no Remuneration Committee	
Strategic Planning	There is no Strategic Planning Committee	

5) Committee Program

Provide a list of programs that each committee plans to undertake to address relevant issues in the improvement or enforcement of effective governance for the coming year.

Name of Committee	Planned Programs	Issues to be Addressed
Executive		
Audit		
Nomination		
Remuneration		
Others (specify)		

**F. RISK MANAGEMENT SYSTEM**

1) Disclose the following:

(a) Overall risk management philosophy of the company;

**The Board of Directors review and approve policies for managing risks.**

(b) A statement that the directors have reviewed the effectiveness of the risk management system and commenting on the adequacy thereof;

**The Board of Directors has reviewed the effectiveness of the risk management system and commented on the adequacy thereof.**

(c) Period covered by the review;

**The period covered by the review is 1 May 2014 to 30 April 2015, with some current information to date.**

(d) How often the risk management system is reviewed and the directors' criteria for assessing its effectiveness; and

**The risk management system is reviewed annually.**

(e) Where no review was conducted during the year, an explanation why not.

2) Risk Policy

(a) Company

Give a general description of the company's risk management policy, setting out and assessing the risk/s covered by the system (ranked according to priority), along with the objective behind the policy for each kind of risk:

Risk Exposure	Risk Management Policy	Objective
---------------	------------------------	-----------

	<b>The Board of Directors review and approve policies for managing risks.</b>	
--	---	--

(b) Group

Give a general description of the Group's risk management policy, setting out and assessing the risk/s covered by the system (ranked according to priority), along with the objective behind the policy for each kind of risk:

Risk Exposure	Risk Management Policy	Objective

(c) Minority Shareholders

Indicate the principal risk of the exercise of controlling shareholders' voting power.

<b>Risk to Minority Shareholders</b>

3) Control System Set Up

(a) Company

Briefly describe the control systems set up to assess, manage and control the main issue/s faced by the company:

Risk Exposure	Risk Assessment (Monitoring and Measurement Process)	Risk Management and Control (Structures, Procedures, Actions Taken)

(b) Group

Briefly describe the control systems set up to assess, manage and control the main issue/s faced by the company:

Risk Exposure	Risk Assessment (Monitoring and Measurement Process)	Risk Management and Control (Structures, Procedures, Actions Taken)

(c) Committee

Identify the committee or any other body of corporate governance in charge of laying down and supervising these control mechanisms, and give details of its functions:

Committee/Unit	Control Mechanism	Details of its Functions

## G. INTERNAL AUDIT AND CONTROL

### 1) Internal Control System

Disclose the following information pertaining to the internal control system of the company:

- (a) Explain how the internal control system is defined for the company;

**Internal control refers to the process effected by a company's board of directors, management and other personnel, designed to provide reasonable assurance regarding the achievement of objectives in the effectiveness and efficiency of operations, the reliability of financial reporting, and compliance with applicable laws, regulations, and internal policies.**

- (b) A statement that the directors have reviewed the effectiveness of the internal control system and whether they consider them effective and adequate;

**The directors have reviewed the effectiveness of the internal control system and have considered them effective and adequate.**

- (c) Period covered by the review;

**Period of the review is 1 May 2014 to 30 April 2015.**

- (d) How often internal controls are reviewed and the directors' criteria for assessing the effectiveness of the internal control system; and

**The internal controls are reviewed annually.**

- (e) Where no review was conducted during the year, an explanation why not.

### 2) Internal Audit

- (a) Role, Scope and Internal Audit Function

Give a general description of the role, scope of internal audit work and other details of the internal audit function.

Role	Scope	Indicate whether In-house or Outsource Internal Audit Function	Name of Chief Internal Auditor/Auditing Firm	Reporting process

- (b) Do the appointment and/or removal of the Internal Auditor or the accounting /auditing firm or corporation to which the internal audit function is outsourced require the approval of the audit committee?

No. While the Audit Committee recommends the appointment, or the removal of the Internal Auditor, the approval of the Audit Committee is not absolutely necessary for the appointment or removal of the Internal

Auditor or the accounting or auditing firm or corporation to which the internal audit function is outsourced. However, while this is the policy, the Corporation has a treasurer but no internal auditor.

- (c) Discuss the internal auditor’s reporting relationship with the audit committee. Does the internal auditor have direct and unfettered access to the board of directors and the audit committee and to all records, properties and personnel? YES

- (d) Resignation, Re-assignment and Reasons

Disclose any resignation/s or re-assignment of the internal audit staff (including those employed by the third-party auditing firm) and the reason/s for them. **There is none as the corporation does not have employees.**

Name of Audit Staff	Reason

- (e) Progress against Plans, Issues, Findings and Examination Trends

State the internal audit’s progress against plans, significant issues, significant findings and examination trends.

<b>Progress Against Plans</b>	
<b>Issues<sup>6</sup></b>	
<b>Findings<sup>7</sup></b>	
<b>Examination Trends</b>	

- (f) Audit Control Policies and Procedures

Disclose all internal audit controls, policies and procedures that have been established by the company and the result of an assessment as to whether the established controls, policies and procedures have been implemented under the column “Implementation.”

Policies & Procedures	Implementation

- (g) Mechanisms and Safeguards

State the mechanism established by the company to safeguard the independence of the auditors, financial analysts, investment banks and rating agencies (example, restrictions on trading in the company’s shares and imposition of internal approval procedures for these transactions, limitation on the non-audit services that an external auditor may provide to the company):

Auditors (Internal and External)	Financial Analysts	Investment Banks	Rating Agencies

- (h) State the officers (preferably the Chairman and the CEO) who will have to attest to the company’s full compliance with the SEC Code of Corporate Governance. Such confirmation must state that all directors, officers and employees of the company have been given proper instruction on their respective duties as mandated by

<sup>6</sup> “Issues” are compliance matters that arise from adopting different interpretations.

<sup>7</sup> “Findings” are those with concrete basis under the company’s policies and rules.

the Code and that internal mechanisms are in place to ensure that compliance.

#### H. ROLE OF STAKEHOLDERS

1) Disclose the company's policy and activities relative to the following:

	Policy	Activities
Customers' welfare		
Supplier/contractor selection practice		
Environmentally friendly value-chain		
Community interaction		
Anti-corruption programmes and procedures?		
Safeguarding creditors' rights		

2) Does the company have a separate corporate responsibility (CR) report/section or sustainability report/section?

**The company has no separate corporate responsibility report / section or sustainability report / section.**

3) Performance-enhancing mechanisms for employee participation.

(a) What are the company's policy for its employees' safety, health, and welfare?

**The Company does not have employees.**

(b) Show data relating to health, safety and welfare of its employees.

**Not applicable.**

(c) State the company's training and development programme for its employees. Show the data.

**The company has no employees.**

(d) State the company's reward/compensation policy that accounts for the performance of the company beyond short-term financial measures

**The company has no reward / compensation policy that accounts for the performance of the company beyond short – term financial measure.**

4) What are the company's procedures for handling complaints by employees concerning illegal (including corruption) and unethical behaviour? Explain how employees are protected from retaliation.

**The Company does not have employees.**

#### I. DISCLOSURE AND TRANSPARENCY

1) Ownership Structure

(a) Holding 5% shareholding or more

Shareholder	Number of Shares	Percent	Beneficial Owner
-------------	------------------	---------	------------------



<b>Berjaya Lottery Management</b>	<b>644,247,656</b>	<b>67.53 %</b>	
<b>Berjaya Sports Toto (Cayman) Limited</b>	<b>122,041,030</b>	<b>12.79 %</b>	
<b>Berjaya Philippines Inc.</b>	<b>82,308,277</b>	<b>8.98%</b>	
<b>PCD Nominee Corporation</b>	<b>79,954,276</b>	<b>8.38%</b>	

Name of Senior Management	Number of Direct shares	Number of Indirect shares / Through (name of record owner)	% of Capital Stock
<b>Not Applicable</b>			
<b>TOTAL</b>			

2) Does the Annual Report disclose the following:

Key risks	<b>Yes</b>
Corporate objectives	<b>Yes</b>
Financial performance indicators	<b>Yes</b>
Non-financial performance indicators	<b>No</b>
Dividend policy	<b>Yes</b>
Details of whistle-blowing policy	<b>No</b>
Biographical details (at least age, qualifications, date of first appointment, relevant experience, and any other directorships of listed companies) of directors/commissioners	<b>Yes</b>
Training and/or continuing education programme attended by each director/commissioner – explanations please	<b>No</b>
Number of board of directors/commissioners meetings held during the year	<b>No</b>
Attendance details of each director/commissioner in respect of meetings held	<b>No</b>
Details of remuneration of the CEO and each member of the board of directors/commissioners	<b>Yes</b>

Should the Annual Report not disclose any of the above, please indicate the reason for the non-disclosure.

**Number of board of directors meeting and attendance of the directors are reported to the Securities and Exchange Commission every 30 January of each year under SEC Form 17-C.**

3) External Auditor's fee

Name of auditor	Audit Fee	Non-audit Fee
Punongbayan & Araullo	<b>Php 165,000.00</b>	

4) Medium of Communication

List down the mode/s of communication that the company is using for disseminating information.

**Disclosures filed to the Securities and Exchange Commission and the Philippine Stock Exchange.**

5) Date of release of audited financial report: **10 July 2015**

6) Company Website

Does the company have a website disclosing up-to-date information about the following? **Yes**

Business operations	
Financial statements/reports (current and prior years)	
Materials provided in briefings to analysts and media	
Shareholding structure	
Group corporate structure	
Downloadable annual report	
Notice of AGM and/or EGM	
Company's constitution (company's by-laws, memorandum and articles of association)	

Should any of the foregoing information be not disclosed, please indicate the reason thereto.

7) **Disclosure of RPT – Not Applicable**

RPT	Relationship	Nature	Value

When RPTs are involved, what processes are in place to address them in the manner that will safeguard the interest of the company and in particular of its minority shareholders and other stakeholders?

**J. RIGHTS OF STOCKHOLDERS**

1) Right to participate effectively in and vote in Annual/Special Stockholders' Meetings

(a) Quorum

Give details on the quorum required to convene the Annual/Special Stockholders' Meeting as set forth in its By-laws.

<b>Quorum Required</b>	Majority of outstanding capital stock, pursuant to Sec 3 Article VIII of the Corporation's By-Laws
------------------------	--

(b) System Used to Approve Corporate Acts

Explain the system used to approve corporate acts.

<b>System Used</b>	Ratification by stockholders of corporate acts during the annual stockholders meeting.
<b>Description</b>	Approved corporate acts subject to stockholder ratification pursuant to the requirements of the Corporation Code are subjected to stockholders ratification during the annual stockholders meetings.

(c) Stockholders' Rights

List any Stockholders' Rights concerning Annual/Special Stockholders' Meeting that differ from those laid down in the Corporation Code.

**The Corporation is compliant to the requirements of the Corporation Code.**

Stockholders' Rights under The Corporation Code	Stockholders' Rights <b>not</b> in The Corporation Code
Voting Right	
Pre-emptive Right	
Power of Inspection	
Right to Dividends	
Appraisal Right	
Right to Information	

Dividends –

Declaration Date	Record Date	Payment Date
10 August 2015	10 August 2015	Thirty (30) days from stockholder ratification

(d) Stockholders' Participation

1. State, if any, the measures adopted to promote stockholder participation in the Annual/Special Stockholders' Meeting, including the procedure on how stockholders and other parties interested may communicate directly with the Chairman of the Board, individual directors or board committees. Include in the discussion the steps the Board has taken to solicit and understand the views of the stockholders as well as procedures for putting forward proposals at stockholders' meetings.

Measures Adopted	Communication Procedure
<b>The Chairman opens the floor for questions to give stockholders the opportunity to speak during annual stockholders meetings.</b>	<b>The Chairman verbally announces during the annual stockholders meeting.</b>

2. State the company policy of asking shareholders to actively participate in corporate decisions regarding:
  - a. Amendments to the company's constitution – **Ratified through a special or annual stockholders meeting.**
  - b. Authorization of additional shares – **Ratified through a special or annual stockholders meeting.**
  - c. Transfer of all or substantially all assets, which in effect results in the sale of the company – **Ratified through a special or annual stockholders meeting.**
3. Does the company observe a minimum of 21 business days for giving out of notices to the AGM where items to be resolved by shareholders are taken up? **The By-Laws of the Corporation provides for a prior ten (10) day Notice to be sent to stockholders. However, the Notice is sent together with the Definitive Information Statement to stockholders fifteen (15) business days prior to the scheduled meeting.**
  - a. Date of sending out notices: **14 September 2015**
  - b. Date of the Annual/Special Stockholders' Meeting: **Annual Stockholders' Meeting for 2015 is scheduled on 6 October 2015.**
4. State, if any, questions and answers during the Annual/Special Stockholders' Meeting. **The Board responded to (i) a question about the other corporations where the Issuer has investments; and (ii) the request of a stockholder to give out more dividends.**
5. Result of Annual/Special Stockholders' Meeting's Resolutions (held on 2 October 2014)

Resolution	Approving	Dissenting	Abstaining
To increase the number of directors from five to six	more than the required 2/3	none	five

The election of the current year's directors	more than 2/3	none	two
--	---------------	------	-----

6. Date of publishing of the result of the votes taken during the most recent AGM for all resolutions:

**A current report under SEC Form 17-C was filed on the same day of the meeting, 2 October 2014.**

(e) Modifications

**There are no modifications made in the Annual Stockholder's Meeting regulations during 2014.**

State, if any, the modifications made in the Annual/Special Stockholders' Meeting regulations during the most recent year and the reason for such modification:

Modifications	Reason for Modification

(f) Stockholders' Attendance

(i) Details of Attendance in the Annual/Special Stockholders' Meeting Held:

**During the annual stockholders meeting of 2 October 2014, stockholders representing eighty point sixty eight percent (80.68%) of the corporation's equity were present in person and by proxy. All of the members of the Board were present.**

Type of Meeting	Names of Board members / Officers present	Date of Meeting	Voting Procedure (by poll, show of hands, etc.)	% of SH Attending in Person	% of SH in Proxy	Total % of SH attendance
Annual	Dato Saad Lim Meng Kwong Seow Swee Pin Jaime Y. Ladao George T. Yang	2 Oct 2014	Show of hands			
Special	N.A.					

(ii) Does the company appoint an independent party (inspectors) to count and/or validate the votes at the ASM/SSMs?

**The company does not appoint an independent party to count and/or validate the votes at the Annual or Special Stockholders' Meetings.**

(iii) Do the company's common shares carry one vote for one share? If not, disclose and give reasons for any divergence to this standard. Where the company has more than one class of shares, describe the voting rights attached to each class of shares.

**The company's common shares carry one vote for one share.**

(g) Proxy Voting Policies

State the policies followed by the company regarding proxy voting in the Annual/Special Stockholders' Meeting.

**Company's Policies**

Execution and acceptance of proxies	A sample proxy form is enclosed in the Notices distributed to the stockholders.
Notary	Aside from personal identification, representatives of corporate stockholders should present a notarized Secretary's Certificate indicating the representative's authority to represent the corporation. Beneficial owners whose shares are lodged with the Philippine Central Depository ("PCD"), or registered under the name of a broker, bank, or other fiduciary, must, in addition to the required proof of identification, present a notarized certification from the owner of record that he is the beneficial owner, indicating thereon 20the number of shares.
Submission of Proxy	Proxies must be presented to the Corporate Secretary for inspection, validation, and record, at least two (2) days prior to the Stockholders' Meeting.
Several Proxies	Only one (1) proxy for one stockholder is allowed by the Corporation.
Validity of Proxy	Valid only for the date of the special or annual stockholders meeting, and any adjournment thereof.
Proxies executed abroad	In lieu of notarization, must be consularized.
Invalidated Proxy	
Validation of Proxy	Proxy forms are review by assigned employees of the Corporation.
Violation of Proxy	

(h) Sending of Notices

State the company's policies and procedure on the sending of notices of Annual/Special Stockholders' Meeting.

Policies	Procedure
Prior Notice	In compliance with Section 20 of the SRC and the IRR to the SRC, Notices are sent by registered mail at least 15 business days prior to the date of the stockholders' meeting to each stockholder of record at his last known post office address and by publication in a newspaper of general circulation. The By-Laws only require Notice to be sent 10 calendar days prior to the meeting.

(i) Definitive Information Statements and Management Report

<b>Number of Stockholders entitled to receive Definitive Information Statements and Management Report and Other Materials</b>	<b>All registered stockholders.</b>
<b>Date of Actual Distribution of Definitive Information Statement and Management Report and Other Materials held by market participants/certain beneficial owners</b>	<b>11 September 2014</b>
<b>Date of Actual Distribution of Definitive Information Statement and Management Report and Other Materials held by stockholders</b>	<b>11 September 2014</b>
<b>State whether CD format or hard copies were distributed</b>	<b>Hard copies</b>

If yes, indicate whether requesting stockholders were provided hard copies	Not Applicable
--	----------------

(j) Does the Notice of Annual/Special Stockholders' Meeting include the following:

Each resolution to be taken up deals with only one item.	Yes
Profiles of directors (at least age, qualification, date of first appointment, experience, and directorships in other listed companies) nominated for election/re-election.	<b>No, the Notice does not. However, the enclosed Definitive Information Statement accompanying the Notice does.</b>
The auditors to be appointed or re-appointed.	Yes
An explanation of the dividend policy, if any dividend is to be declared.	Yes
The amount payable for final dividends.	Yes
Documents required for proxy vote.	Yes

Should any of the foregoing information be not disclosed, please indicate the reason thereto.

**Profiles of the Directors are provided in the Definitive Information Statement, which are enclosed in the Notice of the Special or Annual Stockholders Meeting.**

## 2) Treatment of Minority Stockholders

(a) State the company's policies with respect to the treatment of minority stockholders.

Policies	Implementation
Stockholders are encouraged to personally attend stockholders meetings	Stated in the Notice of the Annual Stockholders Meeting, which are distributed to the stockholders. If a stockholder is unable to attend in person, stockholders are apprised, in the same Notice, of their right to appoint a proxy.
Respect the right of stockholders as provided in the Corporation Code and By-Laws	
Accurate and timely information are made available to the stockholders to enable them to make a sound judgment on all matters brought to their attention for consideration or approval.	

(b) Do minority stockholders have a right to nominate candidates for board of directors?

**Yes.**

## K. INVESTORS RELATIONS PROGRAM

1) Discuss the company's external and internal communications policies and how frequently they are reviewed. Disclose who reviews and approves major company announcements. Identify the committee with this responsibility, if it has been assigned to a committee.

**The company's policies are reviewed every three (3) years by the Board of Directors.**

- 2) Describe the company's investor relations program including its communications strategy to promote effective communication with its stockholders, other stakeholders and the public in general. Disclose the contact details (e.g. telephone, fax and email) of the officer responsible for investor relations.

**There is no specific person in charge of investor relations. The shares of the company are not actively traded in the Exchange.**

	Details
(1) Objectives	
(2) Principles	
(3) Modes of Communications	
(4) Investors Relations Officer	

- 3) What are the company's rules and procedures governing the acquisition of corporate control in the capital markets, and extraordinary transactions such as mergers, and sales of substantial portions of corporate assets?

**In practice, the company designates a group of persons to study proposed acquisitions before the Board makes a decision.**

Name of the independent party the board of directors of the company appointed to evaluate the fairness of the transaction price.

**The Audit Committee which is composed of two independent directors in addition to the appointment of a person knowledgeable in the field of the intended purchase is appointed by the Board as the need arises.**

#### L. CORPORATE SOCIAL RESPONSIBILITY INITIATIVES

Discuss any initiative undertaken or proposed to be undertaken by the company.

Initiative	Beneficiary
The Corporation's wholly owned subsidiary Philippine Gaming Management Corporation donated to Gawad Kalinga Community Foundation Inc. (GK), specifically, to its' Gawad Kalinga's Bayani Challenge 2013 the amount of at least One Hundred Million Pesos, consistent with Berjaya Foundation Inc.'s executed Memorandum of Agreement with GK where the latter committed to donate One Hundred Million Pesos annually for three years.	The beneficiaries are various families consisting of the poorest of the poor, illegal settlers, rebel returnees, poor farmers and the like located in Compostela Valley, Bulacan, Basilan Mindanao, Puerto Galera Oriental Mindoro, etc..

#### M. BOARD, DIRECTOR, COMMITTEE AND CEO APPRAISAL

Disclose the process followed and criteria used in assessing the annual performance of the board and its committees, individual director, and the CEO/President.

**The members of the Board and Committees, and the officers are assessed on their contribution to the company in terms of time, ideas and performance.**

	Process	Criteria
Board of Directors		
Board Committees		
Individual Directors		
CEO/President		

#### N. INTERNAL BREACHES AND SANCTIONS

Discuss the internal policies on sanctions imposed for any violation or breach of the corporate governance manual involving directors, officers, management and employees.

**There are currently no policies on this matter but all directors and officers exert best efforts in ensuring compliance with the Securities Regulation Code, the Manual on Corporate Governance and the SEC Memorandum Circulars.**

Violations	Sanctions

Pursuant to the requirement of the Securities and Exchange Commission, this Annual Corporate Governance Report is signed on behalf of the registrant by the undersigned, thereunto duly authorized, in the City of Makati on the 13<sup>th</sup> of August 2015.