



SEC FORM – I-ACGR

INTEGRATED ANNUAL CORPORATE GOVERNANCE REPORT

1. For the fiscal year ended: 31 December 2017
2. SEC Identification Number: A199904864
3. BIR Tax Identification No.: 204-636-102
4. Exact name of issuer as specified in its charter: Bloomberry Resorts Corporation
5. Philippines.
Province, Country or other jurisdiction of
incorporation or organization
6. (SEC Use Only)
Industry Classification Code:
7. The Executive Offices, Solaire Resort & Casino, 1 ASEAN Avenue.
Entertainment City, Barangay Tambo, Paranaque City
Address of principal office
- 1701
Postal Code
8. (02) 8838920
Issuer's telephone number, including area code
9. N/A
Former name, former address, and former fiscal year, if changed since last report.

INTEGRATED ANNUAL CORPORATE GOVERNANCE REPORT

COMPLIANT/
NON-
COMPLIANT

ADDITIONAL INFORMATION

EXPLANATION

The Board's Governance Responsibilities

Principle 1: The company should be headed by a competent, working board to foster the long- term success of the corporation, and to sustain its competitiveness and profitability in a manner consistent with its corporate objectives and the long- term best interests of its shareholders and other stakeholders.

Recommendation 1.1

1. Board is composed of directors with collective working knowledge, experience or expertise that is relevant to the company's industry/sector.

Compliant

- A. 2017 Manual of Corporate Governance ("MCG")
- Sec. 2.1. Composition of the Board (page 5)
 - Sec. 2.4. Qualifications and Nomination of Directors (pages 6 – 7)
<http://52.74.53.71/file-manager/files/Manual%20On%20Corporate%20Governance/Amended%20Manual%20on%20Corporate%20Governance%20-%202017.pdf>
- B. Annual Report
- Item 9. Directors and Executive Officers of the Issuer (pages 41- 44)
 - Item 13. Corporate Governance (page 48)
http://bloomberry.ph/images/downloads/04052018071208April%205.%202018%20-%20BRC_17A_Dec2017-PSE.pdf
- C. Definitive Information Statement
- Item 5. Directors and Executive Officers (pages 6-10)
[http://bloomberry.ph/images/downloads/05112018094533May%2010,%202018%20-%20Bloom%2020IS%202018%20\(Definitive\).pdf](http://bloomberry.ph/images/downloads/05112018094533May%2010,%202018%20-%20Bloom%2020IS%202018%20(Definitive).pdf)

2. Board has an appropriate mix of competence and expertise.	Compliant	A. Annual Report • Item 9. Directors and Executive Officers of the Issuer (pages 41-44) • Item 13. Corporate Governance (page 48) http://bloomberg.ph/images/downloads/04052018071208April%205,%202018%20-%20BRC_17A_Dec2017-PSE.pdf B. Definitive Information Statement ("20-IS") • Item 5. Directors and Executive Officers (pages 6-10) http://bloomberg.ph/images/downloads/05112018094533May%2010,%202018%20-%20Bloom%2020IS%202018%20(Definitive).pdf	
3. Directors remain qualified for their positions individually and collectively to enable them to fulfill their roles and responsibilities and respond to the needs of the organization.	Compliant	A. Annual Report • Item 9. Directors and Executive Officers of the Issuer (pages 41-44) • Item 13. Corporate Governance (page 48) http://bloomberg.ph/images/downloads/04052018071208April%205,%202018%20-%20BRC_17A_Dec2017-PSE.pdf B. Definitive Information Statement • Item 5. Directors and Executive Officers (pages 6-10) http://bloomberg.ph/images/downloads/05112018094533May%2010,%202018%20-%20Bloom%2020IS%202018%20(Definitive).pdf	

Recommendation 1.2

1. Board is composed of a majority of non-executive directors.	Compliant	Out of the seven (7) members of the Board of Directors, only two (2) are executive directors (Chairman and CEO, Mr. Enrique K. Razon, Jr. and President and COO, Mr. Thomas Arasi). A. Annual Report • Item 9. Directors and Executive Officers of the Issuer (pages 41-44) • Item 13. Corporate Governance (page 48) http://bloomberry.ph/images/downloads/04052018071208April%205,%202018%20-%20BRC_17A_Dec2017-PSE.pdf B. 2017 General Information Sheet • Directors/Officers, page 5 http://bloomberry.ph/images/downloads/05212018072143BRC%20GIS%20-%202017.pdf	
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Recommendation 1.3

1. Company provides in its Board Charter and Manual on Corporate Governance a policy on training of directors.	Compliant	MCG • Sec. 2.1 Composition of the Board (page 5) http://52.74.53.71/file-manager/files/Manual%20On%20Corporate%20Governance/Amended%20Manual%20on%20Corporate%20Governance%20-%202017.pdf	
2. Company has an orientation program for first time directors.	Compliant	Sec. 2.1.5 of the MCG, states that an orientation program for the first-time directors shall be established. http://52.74.53.71/file-manager/files/Manual%20On%20Corporate%20Governance/Amended%20Manual%20on%20Corporate%20Governance%20-%202017.pdf	

		%202017.pdf	
3. Company has relevant annual continuing training for all directors.	Compliant	Certificates of Attendance in Corporate Governance Training of the Directors and Officers. http://bloomberry.ph/images/downloads/03072018085438Dec%206,%202017%20-%20BLOOM%20-%20Certificates%20of%20Attendance%20in%20Corporate%20Governance%20Training.pdf	
Recommendation 1.4			
1. Board has a policy on board diversity.	Compliant	The MCG provides the following on board diversity. • Sec. 2.1. Composition of the Board (page 5) "The Board shall be composed of seven (7) directors to be elected by the stockholders in accordance with the law and the by-laws. The directors shall have collective working knowledge, experience, expertise in the Company's business or industry or in other disciplines or industries which can provide the appropriate insight and diversity to respond to the needs of an evolving business and provide strategic direction to the Corporation." • The 7 directors are all male. http://52.74.53.71/file-manager/files/Manual%20On%20Corporate%20Governance/Amended%20Manual%20on%20Corporate%20Governance%20-%202017.pdf	
Optional: Recommendation 1.4			
1. Company has a policy on and discloses measurable objectives for implementing its board diversity and reports on progress in	Non-Compliant		The Board is happy with its current set of members and do not find it necessary to change

achieving its objectives.			the Board composition for the sake of diversity.
Recommendation 1.5			
1. Board is assisted by a Corporate Secretary.	Compliant	Atty. Silverio Benny J. Tan is the Corporate Secretary of the Company. A. 2017 General Information Sheet - Directors/Officers, page 5 http://bloomberry.ph/images/downloads/05212018072143BRC%20GIS%20-%202017.pdf B. Annual Report - Item 9. Directors and Executive Officers of the Issuer (page 41 - 44) http://bloomberry.ph/images/downloads/04052018071208April%205,%202018%20-%20BRC_17A_Dec2017-PSE.pdf C. By-laws. - Section 4 The Secretary (page 12) http://bloomberry.ph/images/downloads/03022016060224August%2031,%202012%20-%20Certificate%20of%20Filing%20of%20Amended%20By-Laws.pdf	
2. Corporate Secretary is a separate individual from the Compliance Officer.	Non-Compliant	Atty. Silverio Benny J. Tan is also the Compliance Officer of the Corporation	Atty. Tan was appointed as Compliance Officer because of his knowledge and expertise in the laws, rules, regulations, and regulatory requirements the Company is subject to.
3. Corporate Secretary is not a member of the Board of Directors.	Compliant	Atty. Silverio Benny J. Tan is not a member of the Board of Directors.	
4. Corporate Secretary attends training/s on corporate governance.	Compliant	The directors and key officers of the Company (including Atty Tan) attended the corporate	

		governance seminar held on various dates in 2017. Item 13. Corporate Governance (page 48) http://bloomberly.ph/images/downloads/04052018071208April%205,%202018%20-%20BRC_17A_Dec2017-PSE.pdf	
Optional: Recommendation 1.5			
1. Corporate Secretary distributes materials for board meetings at least five business days before scheduled meeting.	Not Compliant		The materials are distributed usually one day before the meeting. This satisfies the requirement of the Board to be given the Board Materials before the Board meeting.
Recommendation 1.6			
1. Board is assisted by a Compliance Officer.	Compliant	Atty. Silverio Benny J. Tan is the Compliance Officer of the Company. • Annual Report Item 9. Directors and Executive Officers of the Issuer (page 41-44) http://bloomberly.ph/images/downloads/04052018071208April%205,%202018%20-%20BRC_17A_Dec2017-PSE.pdf	
2. Compliance Officer has a rank of Senior Vice President or an equivalent position with adequate stature and authority in the corporation.	Not Compliant		The Board has determined that Atty. Tan as Corporate Secretary and Senior Corporate Counsel of the Company has adequate stature and authority to perform the function of Compliance Officer.
3. Compliance Officer is not a member of the board.	Compliant	Atty. Silverio Benny J. Tan is not a member of the Board of Directors.	

4. Compliance Officer attends training/s on corporate governance.	Compliant	The directors and key officers of the Company attended the corporate governance seminar held on various dates from March 28, 2017 to November 29, 2017. http://bloomberry.ph/images/downloads/03072018085438Dec%206.%202017%20-%20BLOOM%20-%20Certificates%20of%20Attendance%20in%20Corporate%20Governance%20Training.pdf	
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Principle 2: The fiduciary roles, responsibilities and accountabilities of the Board as provided under the law, the company's articles and by-laws, and other legal pronouncements and guidelines should be clearly made known to all directors as well as to stockholders and other stakeholders.

Recommendation 2.1

Directors act on a fully informed basis, in good faith, with due diligence and care, and in the best interest of the company.	Compliant	The directors are provided with board materials prior to the board meeting. Management provides regular reports and updates on the business and operations. Results of operation and financial reports are presented and taken up by the Board before they are reported to the PSE and SEC. The business plans, strategies, and directions are discussed by the board in meetings to approve the Annual Budget. A. MCG Sec. 2.5. Responsibility of the Board and the Directors (page 10) "It is the Board's responsibility to foster the long-term success of the Corporation, act on a fully informed basis, and to sustain its competitiveness and profitability in a manner consistent with its corporate objectives and the best interests of its stockholders." "A director owes the duty to be obedient, loyal and diligent to the	
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		Corporation. Obedience imposes on the directors the obligation to act only within the corporate powers of the Corporation as defined under its articles of incorporation and by-laws and by the Corporation Code and other applicable laws. Directors should manage the corporation with reasonable diligence, care and prudence. They cannot be held liable for mistakes or errors in the exercise of their business judgment when they act in good faith and with due care and prudence." B. Annual Report Item 13 on Corporate Governance (pages 48-50) Item 14 for Reports on SEC Form 17-C (page 51) http://bloomberg.ph/images/downloads/04052018071208April%205,%202018%20-%20BRC 17A Dec2017-PSE.pdf	
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Recommendation 2.2

1. Board oversees the development, review and approval of the company's business objectives and strategy.	Compliant	A. MCG. Functions and Duties of the Board (Sec. 2.6.2, page 11) “To ensure a high standard of best practice for the corporation and its stockholders, the Board should conduct itself with honesty and integrity in the performance of, among others, the following duties and functions: xxx “2.6.2 Provide strategies and general policies to maintain the viability and promote the growth and success of the Corporation. It must periodically evaluate and monitor implementation of such strategies and policies, business plans and operating budgets as well as management's over-all performance, and provide sound strategic policies and guidelines to the corporation on major capital expenditures.” B. Annual Report, Item 13 on Corporate Governance (pages 48-50) Item 14 for Reports on SEC Form 17-C (page 51) http://bloomberly.ph/images/downloads/04052018071208April%205,%202018%20-%20BRC 17A Dec2017-PSE.pdf The Board reviews the business objectives and Strategy annually when the Annual Budget is presented by Management, and discussed, evaluated and approved by the Board.	
2. Board oversees and monitors the	Compliant	Reports on operation is a regular part of the	

implementation of the company's business objectives and strategy.		agenda of Board Meetings. The Board is able to oversee and monitor the implementation of business objectives and strategy of the Company during those Board meetings. A. MCG. Functions and Duties of the Board (Sec. 2.6.2, page 11) "To ensure a high standard of best practice for the corporation and its stockholders, the Board should conduct itself with honesty and integrity in the performance of, among others, the following duties and functions: xxx "2.6.2 Provide strategies and general policies to maintain the viability and promote the growth and success of the Corporation. It must periodically evaluate and monitor implementation of such strategies and policies, business plans and operating budgets as well as management's over-all performance, and provide sound strategic policies and guidelines to the corporation on major capital expenditures." B. Annual Report Item 13 on Corporate Governance (pages 48-50) Item 14 for Reports on SEC Form 17-C (page 51) http://bloomberry.ph/images/downloads/04052018071208April%205,%202018%20-%20BRC_17A_Dec2017-PSE.pdf	
Supplement to Recommendation 2			
1. Board has a clearly defined and updated vision, mission and core values.	Compliant	The Company's website provides its mission, vision, and values:	

		http://bloomberry.ph/about-us/our-company/mission-vision-and-values/ This is reviewed only when it appears that they are no longer fit for the purpose of the Company.	
2. Board has a strategy execution process that facilitates effective management performance and is attuned to the company's business environment, and culture.	Compliant	The Board evaluates and approves the business plans, strategies and projects presented and proposed by Management. The Board considers the business environment and culture of the Company when it assess these business plans, strategies and projects proposed by Management.	
Recommendation 2.3			
1. Board is headed by a competent and qualified Chairperson.	Compliant	Mr. Enrique K. Razon, Jr. is the Chairman and Chief Executive Officer of the Company. A. Annual Report. Item 9 on Directors and Executive Officers of the Issuer (pages 41-44) http://bloomberry.ph/images/downloads/04052018071208April%205.%202018%20-%20BRC_17A_Dec2017-PSE.pdf B. 20-IS. Item 5 on Directors and Executive Officers (pages 6-8) http://bloomberry.ph/images/downloads/05112018094533May%2010.%202018%20-%20Bloom%2020IS%202018%20(Definitive).pdf	
Recommendation 2.4			
1. Board ensures and adopts an effective succession planning program for directors, key officers and management.	Compliant	MCG. Sec. 2.6. Function and Duties of the Board (page 11) The Board may adopt a professional development program for employees and	

		officers, and a succession planning program for management. http://52.74.53.71/file-manager/files/Manual%20On%20Corporate%20Governance/Amended%20Manual%20on%20Corporate%20Governance%20-%202017.pdf Officers who retire, resign or are terminated are replaced with equally competent and experienced individuals who can effectively fill the vacant position. The Company use third parties to search for competent replacements for vacant positions in its organization.	
2. Board adopts a policy on the retirement for directors and key officers.	Compliant	MCG. Sec. 2.6. Function and Duties of the Board (page 11) The Board may adopt a professional development program for employees and officers, and a succession planning program for management. http://52.74.53.71/file-manager/files/Manual%20On%20Corporate%20Governance/Amended%20Manual%20on%20Corporate%20Governance%20-%202017.pdf	
Recommendation 2.5			
1. Board aligns the remuneration of key officers and board members with long-term interests of the company.	Compliant	A. MCG. Sec. 2.10. Remuneration of Directors and Officers (pages 14-15) "Levels of remuneration shall be sufficient to attract and retain the directors, if any, and officers needed to run the Corporation successfully. A proportion of executive directors' or officers, remuneration may be structured so as to link rewards to corporate	

		and individual performance." • Sec. 2.6. Function and Duties of the Board (page 12) "Align the remuneration of key officers and board members with the long-term interests of the Corporation, such as providing a Stock Incentive Plan (SIP) so that good performance may be awarded in shares of stocks of the Corporation. And provide other compensation policies . . ." http://52.74.53.71/file-manager/files/Manual%20On%20Corporate%20Governance/Amended%20Manual%20On%20Corporate%20Governance%20-%202017.pdf The Company has a Stock Incentive Plan (SIP) under which performing officers and managers are awarded fully paid listed shares of stock of the Company which vests in two (2) years. These bonus in form of shares gives participants a stake in the Company, as good performance of the Company will equate to higher stock price in the stock market. B. Annual Report, Item 10 – Executive Compensation: Stock Incentive Plan, page 46 http://bloomberly.ph/images/downloads/04052018071208April%205.%202018%20-%20BRC_17A_Dec2017-PSE.pdf	
2. Board adopts a policy specifying the relationship between remuneration and performance.	Compliant	A. MCG. Sec. 2.6. Function and Duties of the Board (page 12) "Align the remuneration of key officers and board members with the long-term interests	

		of the Corporation, such as providing a Stock Incentive Plan (SIP) so that good performance may be awarded in shares of stocks of the Corporation. And provide other compensation policies pursuant to Section 2.10 below. (R 2.5)" Sec. 2.10. Remuneration of Directors and Officers (pages 14-15) "Levels of remuneration shall be sufficient to attract and retain the directors, if any, and officers needed to run the Corporation successfully. A proportion of executive directors' or officers, remuneration may be structured so as to link rewards to corporate and individual performance." http://52.74.53.71/file-manager/files/Manual%20On%20Corporate%20Governance/Amended%20Manual%20on%20Corporate%20Governance%20-%202017.pdf The Company has a Stock Incentive Plan (SIP) under which performing officers and managers are awarded fully paid listed shares of stock of the Company, which vests in two (2) years. This bonus in form of shares gives participants a stake in the Company, as good performance of the Company will equate to higher stock price in the stock market. B. Annual Report, Item 10 – Executive Compensation: Stock Incentive Plan, page 46 http://bloomberly.ph/images/downloads/04052018071208April%205,%202018%20-%20BRC_17A_Dec2017-PSE.pdf	
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3. Directors do not participate in discussions or deliberations involving his/her own remuneration.	Compliant	MCG Sec. 2.10. Remuneration of Directors and Officers c(page 15) "Corporations may establish formal and transparent procedure for the development of a policy on executive remuneration or determination of remuneration levels for individual directors and officers depending on the particular needs of the Corporation. No director should participate in deciding his remuneration." http://52.74.53.71/file-manager/files/Manual%20On%20Corporate%20Governance/Amended%20Manual%20on%20Corporate%20Governance%20-%202017.pdf	
Optional: Recommendation 2.5			
1. Board approves the remuneration of senior executives.	Non Compliant		The Chairman approves the compensation based on recommendation of the COO and the Compensation Committee.
2. Company has measurable standards to align the performance-based remuneration of the executive directors and senior executives with long-term interest, such as claw back provision and deferred bonuses.	Compliant	The Company has a Stock Incentive Plan (SIP) under which performing officers and managers are awarded fully paid listed shares of stock of the Company which vests in two (2) years. These bonus in form of shares gives participants a stake in the Company, as good performance of the Company will equate to higher stock price in the stock market. Page 46 of the Annual Report http://bloomberry.ph/images/downloads/04052018071208April%205,%202018%20-%20BRC_17A_Dec2017-PSE.pdf	

Recommendation 2.6			
1. Board has a formal and transparent board nomination and election policy.	Compliant	MCG. Sec. 2.4. Qualifications and Nomination of Directors (page 9-10) Nomination Committee Role http://52.74.53.71/file-manager/files/Manual%20On%20Corporate%20Governance/Amended%20Manual%20on%20Corporate%20Governance%20-%202017.pdf	
2. Board nomination and election policy is disclosed in the company's Manual on Corporate Governance.	Compliant	MCG. Sec. 2.4. Qualifications and Nomination of Directors (pages 9-10) http://52.74.53.71/file-manager/files/Manual%20On%20Corporate%20Governance/Amended%20Manual%20on%20Corporate%20Governance%20-%202017.pdf	
3. Board nomination and election policy includes how the company accepted nominations from minority shareholders.	Compliant	MCG. Sec. 2.4. Qualifications and Nomination of Directors (pages 6-10) http://52.74.53.71/file-manager/files/Manual%20On%20Corporate%20Governance/Amended%20Manual%20on%20Corporate%20Governance%20-%202017.pdf "Any stockholder of record of the Corporation, including a minority stockholder, may nominate a candidate for election to the Board. Only a stockholder of record entitled to notice of, and to vote in the stockholder meeting shall be qualified to be nominated and elected as a director"	
4. Board nomination and election policy includes how the board shortlists candidates.	Compliant	A. MCG Sec. 2.4 on Qualifications and Nomination of Directors (pages 6 -10) http://52.74.53.71/file-manager/files/Manual%20On%20Corporate%20Governance/Amended%20Manual%20on%20C	

		orporate%20Governance%20-%202017.pdf B. Definitive Information Statement Item 5. Directors and Executive Officers (page 10) http://bloomberry.ph/images/downloads/05112018094533May%2010,%202018%20-%20Bloom%2020IS%202018%20(Definitive).pdf The Nomination Committee is composed of Enrique K. Razon Jr. as Chairman, and Jose Eduardo J. Alarilla, Christian Gonzalez, and Jon Ramon Aboitiz as members.	
5. Board nomination and election policy includes an assessment of the effectiveness of the Board's processes in the nomination, election or replacement of a director.	Compliant	MCG Sec 2.4 on Qualifications and Nomination of Directors (pages 6 -10) http://52.74.53.71/file-manager/files/Manual%20On%20Corporate%20Governance/Amended%20Manual%20on%20Corporate%20Governance%20-%202017.pdf "The Board shall assess and evaluate the effectiveness of this nomination process and process for replacement of a director."	
6. Board has a process for identifying the quality of directors that is aligned with the strategic direction of the company.	Compliant	MCG. Sec. 2.1. Composition of the Board (page 5) "The Board shall be composed of seven (7) directors to be elected by the stockholders . . . The directors shall have collective working knowledge, experience, expertise in the Corporation's business or industry or in other disciplines or industries which can provide the	

		appropriate insight and diversity to respond to the needs of an evolving business and provide strategic direction to the Corporation." http://52.74.53.71/file-manager/files/Manual%20On%20Corporate%20Governance/Amended%20Manual%20on%20Corporate%20Governance%20-%202017.pdf	
Optional: Recommendation to 2.6			
1. Company uses professional search firms or other external sources of candidates (such as director databases set up by director or shareholder bodies) when searching for candidates to the board of directors.	Not Compliant		The selection of Directors is the prerogative of the controlling shareholders who nominate them. This is not a Board Matter, This is a stockholders matter.
Recommendation 2.7			
1. Board has overall responsibility in ensuring that there is a group-wide policy and system governing related party transactions (RPTs) and other unusual or infrequently occurring transactions.	Compliant	MCG. Sec. 2.6. Functions and Duties of the Board (page 12) http://52.74.53.71/file-manager/files/Manual%20On%20Corporate%20Governance/Amended%20Manual%20on%20Corporate%20Governance%20-%202017.pdf "The Board shall formulate and implement policies and procedures that would ensure group-wide the integrity and transparency of related party transactions (RPT) especially those which are over certain thresholds of materiality, between and among the corporation and its parent company, joint ventures, subsidiaries, associates, affiliates, major stockholders, officers and directors including their spouses, children and dependent siblings and parents, and interlocking director relationships by members of the Board to protect the interest of the	

		Corporation.. The Related Party Transaction Policy shall include the appropriate review and approval of material or significant RPTs, which guarantee fairness and transparency of transactions. The Board shall constitute a Related party Transaction Committee to oversee the RPT Policy. (R 2.7)" The Audit Committee agreed to create 2 new Committees from the same Audit committee members namely: Risk Management Committee and Related Party Transaction (RPT) Committee. Risk Management Committee to be headed by Christian R. Gonzalez while the RPT Committee is to be chaired by Carlos C. Ejercito. But these two new committees have yet to convene.	
2. RPT policy includes appropriate review and approval of material RPTs, which guarantee fairness and transparency of the transactions.	Compliant	MCG. Sec. 2.6. Functions and Duties of the Board (page 12) http://52.74.53.71/file-manager/files/Manual%20On%20Corporate%20Governance/Amended%20Manual%20on%20Corporate%20Governance%20-%202017.pdf "The Board shall formulate and implement policies and procedures that would ensure group-wide the integrity and transparency of related party transactions (RPT) especially those which are over certain thresholds of materiality, between and among the corporation and its parent company, joint ventures, subsidiaries, associates, affiliates, major stockholders, officers and directors including their spouses, children and dependent siblings and parents, and interlocking director relationships by members of the Board to protect the interest of the	

		Corporation.. The Related Party Transaction Policy shall include the appropriate review and approval of material or significant RPTs, which guarantee fairness and transparency of transactions. The Board shall constitute a Related party Transaction Committee to oversee the RPT Policy. (R 2.7)" Sec. 2.13. The Related Party Transactions Committee (page 18) http://52.74.53.71/file-manager/files/Manual%20On%20Corporate%20Governance/Amended%20Manual%20on%20Corporate%20Governance%20-%202017.pdf "The Related Party Transactions Committee shall evaluate all material RPTs if in accordance with economic terms and conditions that are comparable to the terms generally available to an unrelated party under similar circumstances, that no corporate or business resources of the Corporation are misappropriated or misapplied, and to determine any potential reputational risk issues that may arise in connection with the transactions." The RPT is likewise covered in the Code of Business Conduct and Ethics, Sec. 4: Related Party Transaction (page 4) http://bloomberry.ph/file-manager/files/Code%20of%20Business%20Ethics/Code%20of%20Business%20Conduct%20and%20Ethics.pdf	
3. RPT policy encompasses all entities within the group, taking into account their size,	Compliant	A. MCG Sec. 2.13. The Related Party Transactions Committee (page 18)	

structure, risk profile and complexity of operations.		http://52.74.53.71/file-manager/files/Manual%20On%20Corporate%20Governance/Amended%20Manual%20on%20Corporate%20Governance%20-%202017.pdf B. Code of Business Conduct and Ethics Sec. 4: Related Party Transaction (page 4) http://bloomberg.ph/file-manager/files/Code%20of%20Business%20Ethics/Code%20of%20Busines%20Conduct%20and%20Ethics.pdf	
Supplement to Recommendations 2.7			
1. Board clearly defines the threshold for disclosure and approval of RPTs and categorizes such transactions according to those that are considered <i>de minimis</i> or transactions that need not be reported or announced, those that need to be disclosed, and those that need prior shareholder approval. The aggregate amount of RPTs within any twelve (12) month period should be considered for purposes of applying the thresholds for disclosure and approval.	Compliant	A. MCG Sec. 2: Functions and Duties of the Board (pages 11-12) Formulate and implement policies and procedures that would ensure group-wide the integrity and transparency of related party transactions (RPT) especially those which are over certain thresholds of materiality, between and among the corporation and its parent company, joint ventures, subsidiaries, associates, affiliates, major stockholders, officers and directors including their spouses, children and dependent siblings and parents, and interlocking director relationships by members of the Board to protect the interest of the Corporation.. The Related Party Transaction Policy shall include the appropriate review and approval of material or significant RPTs, which guarantee fairness and transparency of transactions. The Board shall constitute a Related party Transaction Committee to oversee the RPT Policy.	

		http://52.74.53.71/file-manager/files/Manual%20On%20Corporate%20Governance/Amended%20Manual%20on%20Corporate%20Governance%20-%202017.pdf B. Code of Business Conduct and Ethics Sec. 4: Related Party Transactions, (Page 4) http://bloomberry.ph/file-manager/files/Code%20of%20Business%20Ethics/Code%20of%20Busines%20Conduct%20and%20Ethics.pdf	
2. Board establishes a voting system whereby a majority of non-related party shareholders approve specific types of related party transactions during shareholders' meetings.	Non-Compliant		The Board vets and approves related party transactions. The Board does not find it necessary to refer these matters to non-related party shareholders.
Recommendation 2.8			
1. Board is primarily responsible for approving the selection of Management led by the Chief Executive Officer (CEO) and the heads of the other control functions (Chief Risk Officer, Chief Compliance Officer and Chief Audit Executive).	Compliant	MCG. Sec. 2.6. Functions and Duties of the Board (page 11) "2.6. To ensure a high standard of best practice for the corporation and its stockholders, the Board should conduct itself with honesty and integrity in the performance of, among others, the following duties and functions: "2.6.1 Select and appoint the Chairman/CEO, President/Chief Operating Officer ("COO"), Chief Finance Officer ("CFO") and other senior officers of the Corporation. The executive officers shall have the requisite maturity, motivation, integrity, competence and professionalism necessary to effectively perform their duties and responsibilities to the	

		Corporation. The Board may adopt a professional development program for employees and officers, and a succession planning program for management. “ http://52.74.53.71/file-manager/files/Manual%20On%20Corporate%20Governance/Amended%20Manual%20on%20Corporate%20Governance%20-%202017.pdf The following are the members of the Company's Management Team: Enrique K. Razon, Jr. –<i>Chief Executive Officer</i> Thomas Arasi –<i>President and Chief Operating Officer</i> Estella Tuason-Occeña–<i>Chief Finance Officer and Treasurer</i> Laurence Upton –<i>Senior Vice President for International Marketing</i> Cyrus Sherafat – <i>Senior Vice President for Casino Marketing</i> Theunis D. van Niekerk–<i>Senior Vice President of Construction</i> Silverio Benny J. Tan –<i>Corporate Secretary and Compliance Officer</i> http://bloomberly.ph/images/downloads/05212018072143BRC%20GIS%20-%202017.pdf	
2. Board is primarily responsible for assessing the performance of Management led by the Chief Executive Officer (CEO) and the heads of the other control functions (Chief Risk Officer, Chief Compliance Officer and Chief Audit Executive).	Compliant	MCG. Internal Control Mechanism of the Board (Sec.2.8.1) “2.8.1 The internal control mechanism for the Board's oversight responsibility include: xxx Assess the performance of Management, the President and the control functions led by their respective	

		heads. " http://52.74.53.71/file-manager/files/Manual%20On%20Corporate%20Governance/Amended%20Manual%20on%20Corporate%20Governance%20-%202017.pdf	
Recommendation 2.9			
1. Board establishes an effective performance management framework that ensures that Management's performance is at par with the standards set by the Board and Senior Management.	Compliant	The Company's Performance Management Architecture includes Key Performance Indicators (KPIs) and Individual Performance Appraisals (IPAs). KPIs are company/department mostly financial targets as well as other measurable performance metrics assigned to all Team Members (TMs). By their nature, KPIs are measures of the company's overall performance, as well as departmental performance. At the end of the performance cycle, TMs would receive a KPI score depending on the achievement of the KPI targets and the weight assigned to those targets.	
2. Board establishes an effective performance management framework that ensures that personnel's performance is at par with the standards set by the Board and Senior Management.	Compliant	IPAs on the other hand are measures of an individual's performance. IPAs are divided into 2 components: 1) Key Success Factors and 2) Individual/Discretionary Objectives. The IPAs are also the basis for ranking the performance of individual's through a bell curve. The KPIs and the IPAs are combined to come up with the TM's Overall Performance Rating. In terms of timing, the Performance Cycle commences during the first quarter when KPIs and IPAs are identified. The cycle concludes at the end of the year (and flowing into the new year) when performance evaluations are done for all TMs.	

Recommendation 2.10

1. Board oversees that an appropriate internal control system is in place.	Compliant	MCG Sec. 2.8. Internal Control Mechanism of the Board (pages 13-14) The Company's operating subsidiary SPI and BRHI have Internal Audit Department headed by Ricky Tse who directly reports to the Audit Committee.	
2. The internal control system includes a mechanism for monitoring and managing potential conflict of interest of the Management, members and shareholders.	Compliant	MCG Sec. 2.8.1 Internal Control Mechanism of the Board (pages 13-14) 2.8.1 The internal control mechanism for the Board's oversight responsibility include: • Reviewing the Corporation's personnel and human resource policies and sufficiency, conflict of interest situations, changes to the compensation plan for employees and officers and management succession plan. The Company has written Systems of Internal Control for the Table Games Development; Slots Department; Information Technology Department; Count Department; Credit & Cage Department; Casino Accounting; Sensitive Key Control. In addition, standard operating procedures on key areas such as Anti-Money Laundering, Data Privacy, Responsible Gaming, etc. are in place to ensure the Company will comply with the relevant laws and regulations. Finally, each department has its own Standard Operating Procedures, Procedures Manual, etc. to guide its team members with the ultimate aim that business objectives are met.	

		http://52.74.53.71/file-manager/files/Manual%20On%20Corporate%20Governance/Amended%20Manual%20on%20Corporate%20Governance%20-%202017.pdf	
3. Board approves the Internal Audit Charter.	Compliant	MCG. Sec. 2.8.1 Internal Control Mechanism of the Board (pages 13-14) 2.8.1 The internal control mechanism for the Board's oversight responsibility include: • Approve an Internal Audit Charter which will implement the appropriate internal control system. The Internal Audit Charter was put in place in August 2014. Internal Audit Department assists the board and/or its audit committee in discharging its governance responsibilities. The audit covers objective assurance and internal consulting services. On a quarterly basis, Internal Audit reports to the Audit Committee on its audit observations and status of remedial actions instituted by the Management. At the beginning of each year, an Annual Audit Plan, which covers gaming, non-gaming and IT related internal control processes, is presented to the Audit Committee for approval. All completed audit reports based on the Annual Audit Plan are submitted to the Audit Committee for its information. On a quarterly basis, Audit Committee reviews the audit reports/findings	

		and the corresponding management commitment action/s taken or to be taken. http://52.74.53.71/file-manager/files/Manual%20On%20Corporate%20Governance/Amended%20Manual%20on%20Corporate%20Governance%20-%202017.pdf	
Recommendation 2.11			
1. Board oversees that the company has in place a sound enterprise risk management (ERM) framework to effectively identify, monitor, assess and manage key business risks.	Compliant	MCG Sec. 12. Enterprise Risk Management (ERM) Committee (pages 17-18) There is an approved ERM Policies & Procedures dated May 2017. The summary is posted in the website. http://bloomberry.ph/file-manager/files/ERM/BRC%20ERM.pdf	
2. The risk management framework guides the board in identifying units/business lines and enterprise-level risk exposures, as well as the effectiveness of risk management strategies.	Compliant	MCG Sec. 2.12. Enterprise Risk Management (ERM) Committee (pages 17-18) 2.12.1 The Enterprise Risk Management (ERM) Committee shall be composed of three (3) directors, majority of whom shall be non-executive. The Committee has the responsibility to assist the Board in ensuring that there is an effective and integrated risk management process in place to arrive at a well informed decisions, taking into consideration the risk related to significant business activities, plans and opportunities. The Committee shall have the following functions: (R 12.4) xxx (b) Evaluate the risk management plan to ensure its continued relevance, comprehensiveness and effectiveness. Revisit	

		risk management strategies to anticipate emerging or changing material exposures and to stay abreast of significant developments that impact the likelihood of the harm or loss; http://52.74.53.71/file-manager/files/Manual%20On%20Corporate%20Governance/Amended%20Manual%20on%20Corporate%20Governance%20-%202017.pdf	
Recommendation 2.12			
1. Board has a Board Charter that formalizes and clearly states its roles, responsibilities and accountabilities in carrying out its fiduciary role.	Non-Compliant		The Provisions of the Corporate Governance Manual on the Board of Directors, its membership, its functions and roles, together with the By-Laws provisions on the Board of Directors are deemed sufficient to serve as Board Charter such that a separate Board Charter will be a duplication.
2. Board Charter serves as a guide to the directors in the performance of their functions.	Non-Compliant		-SAME REASON -
3. Board Charter is publicly available and posted on the company's website.	Non-Compliant		-SAME REASON-
Additional Recommendation to Principle 2			
1. Board has a clear insider trading policy.	Compliant	The Company observes the provisions of the Securities Regulations Code, particularly its prohibitions on fraud, manipulation and insider trading. This statement is provided in the Company's website. http://www.bloomberry.ph/corporate-	

		governance/company-policies/insider-trading-policy/.) The Corporate Secretary and Compliance officer issues Black Out Notices to the Board and Senior Officers when there is disclosure of material documents, reminding them of the prohibition of trading of shares during the Blackout period.	
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Optional: Principle 2

1. Company has a policy on granting loans to directors, either forbidding the practice or ensuring that the transaction is conducted at arm's length basis and at market rates.	Non-Compliant		The amounts involved in loans to officers are not significant enough to require a Company policy.
2. Company discloses the types of decision requiring board of directors' approval.	Non-Compliant		There is no specific disclosure on type of decisions required board approval. The Board did not want to limit its own authority to approve decisions relating to the Company and its business.

Principle 3: Board committees should be set up to the extent possible to support the effective performance of the Board's functions, particularly with respect to audit, risk management, related party transactions, and other key corporate governance concerns, such as nomination and remuneration. The composition, functions and responsibilities of all committees established should be contained in a publicly available Committee Charter.

Recommendation 3.1

1. Board establishes board committees that focus on specific board functions to aid in the optimal performance of its roles and responsibilities.	Compliant	The Board has established the following Committees: A. Audit Committee B. Nomination Committee C. Compensation Committee and Stock Incentive Plan Committee http://bloomberly.ph/images/downloads/04052018071208April%205,%202018%20-	
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		%20BRC 17A Dec2017-PSE.pdf The establishment of the abovementioned committees are provided for in the following documents/reports: A. 2017 General Information Sheet - Directors/Officers, page 5 http://bloomberry.ph/images/downloads/05212018072143BRC%20GIS%20-%202017.pdf B. Annual Report - Item 13 on Corporate Governance (pages 48-49) http://bloomberry.ph/images/downloads/04052018071208April%205,%202018%20-%20BRC 17A Dec2017-PSE.pdf The Audit Committee members have agreed to have Risk Management Committee to be headed by Christian R. Gonzalez and RPT Committee to be headed by Carlos C. Ejercito but these new committees have not convened yet.	
Recommendation 3.2			
1. Board establishes an Audit Committee to enhance its oversight capability over the company's financial reporting, internal control system, internal and external audit processes, and compliance with applicable laws and regulations.	Compliant	MCG. - Sec. 2.11: The Audit Committee (pages 15-17) - Sec. 5.2 (page 23) 5.2 Selection/appointment, resignation, dismissal or cessation of service of an External Auditor 5.2.1 The Board, upon recommendation by the Audit Committee, shall recommend to the stockholders a licensed and accredited	

		external auditor who shall undertake an independent audit and provide assurance on the way in which financial statements have been prepared and represented. Such external auditor cannot at the same time provide the services of an internal auditor to the Corporation. Other non-audit work should not be in conflict with the functions of the external auditor, or pose a threat to his independence. (R 9.1 and 9.3) http://52.74.53.71/file-manager/files/Manual%20On%20Corporate%20Governance/Amended%20Manual%20on%20Corporate%20Governance%20-%202017.pdf	
2. Audit Committee is composed of at least three appropriately qualified non-executive directors, the majority of whom, including the Chairman is independent.	Compliant	A. Annual Report - Item 13: Corporate Governance (pages 48-50) <u>3. Audit Committee</u> [...]The Committee is composed of three (3) Board members, including one (1) independent director who serves as the committee chairman. The Committee reports to its Board and is required to meet at least four (4) times a year. As of the date of this report, the Audit Committee Chairman is Mr. Carlos C. Ejercito who serves with Mr. Christian R. Gonzalez and Mr. Jon Ramon Aboitiz as members. http://bloomberry.ph/images/downloads/04052018071208April%205,%202018%20-%20BRC 17A Dec2017-PSE.pdf B. 20-IS (Definitive Information Statement) - Item 5. Directors and Executive Officers (pages 6-10)	

		http://bloomberg.ph/images/downloads/05112018094533May%2010,%202018%20-%20Bloom%2020IS%202018%20(Definitive).pdf	
3. All the members of the committee have relevant background, knowledge, skills, and/or experience in the areas of accounting, auditing and finance.	Compliant	A. Annual Report - Item 13: Corporate Governance (pages 48-50) http://bloomberg.ph/images/downloads/04052018071208April%205,%202018%20-%20BRC%2017A%20Dec2017-PSE.pdf B. Definitive Information Statement - Item 5. Directors and Executive Officers (pages 6-10) http://bloomberg.ph/images/downloads/05112018094533May%2010,%202018%20-%20Bloom%2020IS%202018%20(Definitive).pdf	
4. The Chairman of the Audit Committee is not the Chairman of the Board or of any other committee.	Compliant	Annual Report - Item 13: Corporate Governance (pages 48-50) a. <u>Board of Directors</u> Chairman: Enrique K. Razon, Jr. b. <u>Audit Committee</u> Chairman: Carlos C. Ejercito c. <u>Nomination Committee</u> Chairman: Enrique K. Razon, Jr. d. <u>Compensation Committee and Stock Incentive Plan Committee</u> Chairman: Eduardo J. Alarilla http://bloomberg.ph/images/downloads/04052018071208April%205,%202018%20-%20BRC%2017A%20Dec2017-PSE.pdf	
Supplement to Recommendation 3.2			
1. Audit Committee approves all non-audit services conducted by the external auditor.	Compliant	MCG Sec.2.11: The Audit Committee (pages 15-17) 2.11.1 The Audit Committee shall consist of at	

		least three (3) non-executive Directors, who shall preferably have an accounting and finance backgrounds, one of whom shall be an independent director and another with audit experience. The Chairperson of the Audit Committee or majority of the members should be independent directors. The Committee shall have the following functions: xxx (k) Evaluate and determine the non-audit work, if any, of the external auditor, and review periodically the non-audit fees paid to the external auditor in relation to their significance to the total annual income of the external auditor and to the Corporation's overall consultancy expenses. 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 as may be required by law; http://52.74.53.71/file-manager/files/Manual%20On%20Corporate%20Governance/Amended%20Manual%20on%20Corporate%20Governance%20-%202017.pdf																	
2. Audit Committee conducts regular meetings and dialogues with the external audit team without anyone from management present.	Compliant	Annual Report Item 13: Corporate Governance (pages 48-50) Attendance of Audit Committee <table border="1"> <thead> <tr> <th>Office</th><th>Name</th><th>No of Meeting Held During the year</th><th>No. of Meetings Attended</th></tr> </thead> <tbody> <tr> <td>Chairman</td><td>Carlos C. Ejercito²</td><td>5</td><td>5</td></tr> <tr> <td>Member</td><td>Christian R. Gonzalez</td><td>5</td><td>5</td></tr> <tr> <td>Member</td><td>Jon Ramon Aboitiz²</td><td>5</td><td>4</td></tr> </tbody> </table>	Office	Name	No of Meeting Held During the year	No. of Meetings Attended	Chairman	Carlos C. Ejercito ²	5	5	Member	Christian R. Gonzalez	5	5	Member	Jon Ramon Aboitiz ²	5	4	
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		http://bloomberry.ph/images/downloads/04052018071208April%205,%202018%20-%20BRC_17A_Dec2017-PSE.pdf	
		The Audit Committee has not found the necessity to exclude management from its meetings with the external auditors.	

Optional: Recommendation 3.2

1. Audit Committee meet at least four times during the year.	Compliant	The Audit Committee met 5 times in 2017. http://bloomberry.ph/images/downloads/04052018071208April%205,%202018%20-%20BRC_17A_Dec2017-PSE.pdf Item 13: Corporate Governance (pages 48-50) Attendance of Audit Committee <table border="1"> <thead> <tr> <th>Office</th><th>Name</th><th>No of Meeting Held During the year</th><th>No. of Meetings Attended</th></tr> </thead> <tbody> <tr> <td>Chairman</td><td>Carlos C. Ejercito²</td><td>5</td><td>5</td></tr> <tr> <td>Member</td><td>Christian R. Gonzalez</td><td>5</td><td>5</td></tr> <tr> <td>Member</td><td>Jon Ramon Aboitiz²</td><td>5</td><td>4</td></tr> </tbody> </table>	Office	Name	No of Meeting Held During the year	No. of Meetings Attended	Chairman	Carlos C. Ejercito ²	5	5	Member	Christian R. Gonzalez	5	5	Member	Jon Ramon Aboitiz ²	5	4	
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Member	Christian R. Gonzalez	5	5																
Member	Jon Ramon Aboitiz ²	5	4																
2. Audit Committee approves the appointment and removal of the internal auditor.	Compliant	The VP – Internal Audit Department was appointed last September 1, 2014. His appointment was approved by the Audit Committee. Please refer to the attached Certification.																	

Recommendation 3.3

1. Board establishes a Corporate Governance Committee tasked to assist the Board in the performance of its corporate governance responsibilities, including the functions that were formerly assigned to a Nomination and Remuneration Committee.	Non-Compliant		The Board oversees corporate governance matters, together with the various corporate governance committees. The Board does not find it necessary to have a separate Corporate
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			Governance Committee which will duplicate these functions.
2. Corporate Governance Committee is composed of at least three members, all of whom should be independent directors.	Non-Compliant		-SAME REASON -
3. Chairman of the Corporate Governance Committee is an independent director.	Non-Compliant		-SAME REASON -
Optional: Recommendation 3.3.			
1. Corporate Governance Committee meet at least twice during the year.	Non-Compliant		-SAME REASON -
Recommendation 3.4			
1. Board establishes a separate Board Risk Oversight Committee (BROC) that should be responsible for the oversight of a company's Enterprise Risk Management system to ensure its functionality and effectiveness.	Non-Compliant		The Board does not find it necessary to have a BROC, considering the size, the risks, and the business of the Company.
2. BROC is composed of at least three members, the majority of whom should be independent directors, including the Chairman.	Non-Compliant		-SAME REASON -
3. The Chairman of the BROC is not the Chairman of the Board or of any other committee.	Non-Compliant		-SAME REASON -
4. At least one member of the BROC has relevant thorough knowledge and experience on risk and risk management.	Non-Compliant		-SAME REASON -
Recommendation 3.5			
1. Board establishes a Related Party Transactions (RPT) Committee, which is tasked with reviewing all material related party transactions of the company.	Non-Compliant		The Audit Committee agreed to the creation 2 new committees: Risk Management Committee and RPT Committee. But these committees have not convened yet, and will do so this year.

2. RPT Committee is composed of at least three non-executive directors, two of whom should be independent, including the Chairman.	Non-Compliant		-SAME REASON-
Recommendation 3.6			
1. All established committees have a Committee Charter stating in plain terms their respective purposes, memberships, structures, operations, reporting process, resources and other relevant information.	Non-Compliant		We have an Audit Committee Charter and IA Charter but these are not posted in the website. The provisions of the Corporate Governance Manual is deemed sufficient guide to allow the other corporate governance committees to function.
2. Committee Charters provide standards for evaluating the performance of the Committees.	Non-Compliant		-SAME REASON -
3. Committee Charters were fully disclosed on the company's website.	Non-Compliant		-SAME REASON -
Principle 4: To show full commitment to the company, the directors should devote the time and attention necessary to properly and effectively perform their duties and responsibilities, including sufficient time to be familiar with the corporation's business.			
Recommendation 4.1			
1. The Directors attend and actively participate in all meetings of the Board, Committees and shareholders in person or through tele/video conferencing conducted in accordance with the rules and regulations of the Commission.	Compliant	The Company allows its directors to attend board meetings by use of teleconference devices. http://52.74.53.71/file-manager/files/Manual%20On%20Corporate%20Governance/Amended%20Manual%20on%20Corporate%20Governance%20-%202017.pdf MCG. • Sec. 2.9: Board Meetings and Quorum Requirement (page 14)	

		2.9.1 Directors should attend and actively participate in all meetings of the Board, and of Committees that they are part of, in person, or by use of modern technology through teleconference devices. They should review meeting materials and contribute in the discussion and decision making. (R 4.1) The attendance of the Directors in the 2017 Board Meetings is found in the Annual Report, particularly in Item 13: Corporate Governance (pages 48-50) http://bloomberry.ph/images/downloads/04052018071208April%205,%202018%20-%20BRC_17A_Dec2017-PSE.pdf The directors actively participate in Board Meetings, but we cannot post the minutes of board meetings because they contain confidential and non-public information.	
2. The directors review meeting materials for all Board and Committee meetings.	Compliant	The Directors receive the meeting materials before the Board Meeting. • Sec. 2.9: Board Meetings and Quorum Requirement (page 14) 2.9.1 Directors should attend and actively participate in all meetings of the Board, and of Committees that they are part of, in person, or by use of modern technology through teleconference devices. They should review meeting materials and contribute in the discussion and decision making. (R 4.1) http://52.74.53.71/file-manager/files/Manual%20On%20Corporate%20Governance/Amended%20Manual%20on%20Corporate%20Governance%20-%202017.pdf	

3. The directors ask the necessary questions or seek clarifications and explanations during the Board and Committee meetings.	Compliant	Sec. 2.9: Board Meetings and Quorum Requirement (page 14) 2.9.1 Directors should attend and actively participate in all meetings of the Board, and of Committees that they are part of, in person, or by use of modern technology through teleconference devices. They should review meeting materials and contribute in the discussion and decision making. (R 4.1) http://52.74.53.71/file-manager/files/Manual%20On%20Corporate%20Governance/Amended%20Manual%20on%20Corporate%20Governance%20-%202017.pdf The details of board discussion including the questions clarifications raised by directors are confidential and non-public information, hence we cannot post the minutes of meetings evidencing the same.	
Recommendation 4.2			
1. Non-executive directors concurrently serve in a maximum of five publicly-listed companies to ensure that they have sufficient time to fully prepare for minutes, challenge Management's proposals/views, and oversee the long-term strategy of the company.	Compliant	The non-executive directors of the Company serve as directors in less than five publicly listed companies. The Definitive Information Statement, particularly Item 5 (pages 6-10), provides for the list of the Company's directors and their current directorship positions. http://bloomberly.ph/images/downloads/05112018094533May%2010,%202018%20-%20Bloom%20IS%202018%20(Definitive).pdf	
Recommendation 4.3			
1. The directors notify the company's board before accepting a directorship in another	Non-Compliant		The Company does not find it necessary or fair to require

company.			directors to inform the Company's board before accepting a directorship in another company, because being a director is not a full time job.
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Optional: Principle 4

1. Company does not have any executive directors who serve in more than two boards of listed companies outside of the group.	Compliant	Mr. Enrique K. Razon, Jr. and Thomas Arasi are the only executive directors. Mr. Razon is a director only in one other listed Company (ICTSI), Mr. Arasi, is not a member of the Board of any other listed company.	
2. Company schedules board of directors' meetings before the start of the financial year.	Non-Compliant		Board meetings in the Company are called as needed.
3. Board of directors meet at least six times during the year.	Compliant	The Company Board met eight (8) times in 2017. Annual Report, Item 13 Corporate Governance – Board of Directors' Attendance in 2017, page 48 http://bloomberly.ph/images/downloads/04052018071208April%205,%202018%20-%20BRC 17A Dec2017-PSE.pdf	
4. Company requires as minimum quorum of at least 2/3 for board decisions.	Non-Compliant		The Company follows the quorum required by law which is the presence of a majority of the seven directors.

Principle 5: The board should endeavor to exercise an objective and independent judgment on all corporate affairs

Recommendation 5.1

1. The Board has at least 3 independent directors or such number as to constitute	Non-Compliant		The Company has 2 Independent Directors out of
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one-third of the board, whichever is higher.			the 7 which is equivalent to 28.57%. • Item 9: Directors and Executive Officers of the Issuer (pages 41-44) http://bloomberry.ph/images/downloads/04052018071208April%205,%202018%20-%20BRC_17A_Dec2017-PSE.pdf
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Recommendation 5.2

1. The independent directors possess all the qualifications and none of the disqualifications to hold the positions.	Compliant	The current independent directors of the Company possess all the qualifications and none of the disqualifications to hold the positions, as indicated in Sec. 2.4 of the Manual of Corporate Governance (pages 6-9) http://52.74.53.71/file-manager/files/Manual%20On%20Corporate%20Governance/Amended%20Manual%20on%20Corporate%20Governance%20-%202017.pdf	
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Supplement to Recommendation 5.2

1. Company has no shareholder agreements, by-laws provisions, or other arrangements that constrain the directors' ability to vote independently.	Compliant	To the best knowledge of the Company, it has no shareholder agreements, by-laws provisions, or other arrangements that constrain the directors' ability to vote independently.	
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Recommendation 5.3

1. The independent directors serve for a cumulative term of nine years (reckoned from 2012).	Compliant	Certificates of Independent Directors, as provided in the Definitive Information Statement, (pages 67-70) http://bloomberly.ph/images/downloads/05112018094533May%2010,%202018%20-%20Bloom%2020IS%202018%20(Definitive).pdf	
2. The company bars an independent director from serving in such capacity after the term limit of nine years.	Compliant	The Company is required under the law to comply with the SEC Memorandum Circular No. 9, Series of 2011, SEC Advisory dated 15 March 2015, and SEC Advisory dated 31 March 2016.	
3. In the instance that the company retains an independent director in the same capacity after nine years, the board provides meritorious justification and seeks shareholders' approval during the annual shareholders' meeting.	Compliant	The Company does not have independent directors who reached the maximum term limit.	
Recommendation 5.4			
1. The positions of Chairman of the Board and Chief Executive Officer are held by separate individuals.	Non-Compliant		The Roles of Chairman (as presiding officer of Board meetings) and the Chief Executive Officer (CEO) is currently held by one person. The Chairman of the Company, Enrique K. Razon, Jr., happens to be the more than 60% controlling stockholder of the Company. He is the visionary behind the Solaire Resort & Casino flagship project of the Company. It is his vision and leadership that guides the Company now and in the foreseeable future.

2. The Chairman of the Board and Chief Executive Officer have clearly defined responsibilities.	Non-Compliant		The responsibilities of the Chairman are provided in the following section of the MCG: Item 9: Directors and Executive Officers of the Issuer (pages 41-44) The Roles of Chairman (as presiding officer of Board meetings) and the Chief Executive Officer (CEO) is currently held by one person because the Chairman of the Company, Enrique K. Razon, Jr., happens to be the more than 60% controlling stockholder. He is the visionary behind the Solaire Resort & Casino flagship project of the Company. It is his vision and leadership that guides the Company now and in the foreseeable future.
Recommendation 5.5			
1. If the Chairman of the Board is not an independent director, the board designates a lead director among the independent directors.	Non-Compliant		The Board does not designate a lead director among the independent directors. The Board does not find it necessary to do this. The Chairman is not an Independent Director.
Recommendation 5.6			

1. Directors with material interest in a transaction affecting the corporation abstain from taking part in the deliberations on the transaction.	Non-Compliant		The Company follows this principle. But we cannot show the minutes of Board meetings to show this, because the minutes contain confidential and non-public information.
Recommendation 5.7			
1. The non-executive directors (NEDs) have separate periodic meetings with the external auditor and heads of the internal audit, compliance and risk functions, without any executive present.	Non-Compliant		The Non-Executive Directors do not find the necessity to meet with the external auditor and head of internal audit, compliance and risk functions, without any executive present.
2. The meetings are chaired by the lead independent director.	Non-Compliant		-SAME REASON-
Optional: Principle 5			
1. None of the directors is a former CEO of the company in the past 2 years.	Compliant	The CEO of the Company in the past 2 years is Mr. Enrique K. Razon, Jr.	

Principle 6: The best measure of the Board's effectiveness is through an assessment process. The Board should regularly carry out evaluations to appraise its performance as a body, and assess whether it possesses the right mix of backgrounds and competencies.

Recommendation 6.1

1. Board conducts an annual self-assessment of its performance as a whole.	Non-Compliant		MCG • Sec. 7.1: Governance Self Rating and Evaluation Systems (page 26) "The Board shall conduct an annual self-assessment of its performance, including the performance of the Chairman, individual members and committees. On every third year, such assessment should, ideally be supported by an external facilitator. (R 6.1)" The Board was not able to conduct this self-assessment in 2017, but intends to do this starting 2018.
2. The Chairman conducts a self-assessment of his performance.	Non-Compliant		The Chairman was not able to conduct this self-assessment in 2017, but intends to do this starting 2018.
3. The individual members conduct a self-assessment of their performance.	Non-Compliant		The Individual Members of the Board were not able to conduct this self-assessment in 2017, but intends to do this starting 2018.

4. Each committee conducts a self-assessment of its performance.	Non-Compliant		The Board Committees were not able to conduct this self-assessment in 2017, but intends to do this starting 2018.
5. Every three years, the assessments are supported by an external facilitator.	Non-Compliant		Sec. 7.1 (page 26) of the Company's Manual of Corporate Governance (Updated 2017), provides for the following provision: "The Board shall conduct an annual self-assessment of its performance, including the performance of the Chairman, individual members and committees. On every third year, such assessment should, ideally be supported by an external facilitator. (R 6.1)" The Board was not able to conduct this self-assessment in 2017, but intends to do this starting 2018.
Recommendation 6.2			
1. Board has in place a system that provides, at the minimum, criteria and process to determine the performance of the Board, individual directors and committees.	Non-Compliant		The Company has not found the necessity to provide criteria and process to determine the performance of the Board, individual directors and committees.

2. The system allows for a feedback mechanism from the shareholders.	Non-Compliant		The stockholders have the opportunity to give their feedback during shareholders meeting. They can also communicate with the investor relation officer of the Company. He contact details of the Company and its officers are publicly available.
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Principle 7: Members of the Board are duty-bound to apply high ethical standards, taking into account the interests of all stakeholders.

Recommendation 7.1

1. Board adopts a Code of Business Conduct and Ethics, which provide standards for professional and ethical behavior, as well as articulate acceptable and unacceptable conduct and practices in internal and external dealings of the company.	Compliant	Company's Policies on Business Conduct and Ethics http://bloomberry.ph/file-manager/files/Code%20of%20Business%20Ethics/Code%20of%20Busines%20Conduct%20and%20Ethics.pdf	
2. The Code is properly disseminated to the Board, senior management and employees.	Compliant	The Company Policies on Business and Ethics are mandatory reading for new directors, officers and employees. Copies are posted in the website of the Company. A copy of the Code of Good Behavior booklet is given to each team member. Acknowledgement copy on the receipt of the booklet is filed in the respective 201 File of the team members.	
3. The Code is disclosed and made available to the public through the company website.	Compliant	http://bloomberry.ph/file-manager/files/Code%20of%20Business%20Ethics/Code%20of%20Busines%20Conduct%20and%20Ethics.pdf	

Supplement to Recommendation 7.1

1. Company has clear and stringent policies and procedures on curbing and penalizing company involvement in offering, paying and receiving bribes.	Non-Compliant		There is no specific policy on bribery but the Code of Conduct covers prohibition of illegal acts, which should cover bribery.
Recommendation 7.2			
1. Board ensures the proper and efficient implementation and monitoring of compliance with the Code of Business Conduct and Ethics.	Compliant	Code of Business Conduct and Ethics Implementation and Monitoring (page 4) "The Company requires everyone to adhere to the Team Member Code of Good Behaviour to ensure proper decorum and set the norm of conduct for all its Team Members. In cases of deviation from the same, corrective measures, as appropriate, may be administered. In the application of corrective action, the Company shall observe the requirements of due process. Thus, every Team Member shall be afforded the protection of his rights under the applicable laws. http://bloomberry.ph/file-manager/files/Code%20of%20Business%20Ethics/Code%20of%20Busines%20Conduct%20and%20Ethics.pdf	

2. Board ensures the proper and efficient implementation and monitoring of compliance with company internal policies.	Compliant	Periodically, Internal Audit will carry out a review to ensure each Department has complied with the relevant policies and procedures affecting their operations. Non-compliance will be reported to the Senior Management and Audit Committee in the audit report. On top of that, Senior management sets Key Performance Indicators for each department that number of audit findings relating to non-compliance of policies and procedures be at minimum level at all times. All team members (which includes Directors, Senior Management and all employees of the Company) are required to comply with the Company's internal policies. Sanctions for non-compliance are defined in the Company's Code of Good Behavior. A total of 296 incidents from the Resort side, 166 incidents from the Gaming side and 150 incidents from General & Administration involving violation of the Code of Conduct were reported and investigated in 2017. This ranges from tardiness to theft and fraud.	
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Disclosure and Transparency

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

Recommendation 8.1

1. Board establishes corporate disclosure policies and procedures to ensure a comprehensive, accurate, reliable and timely report to shareholders and other stakeholders that gives a fair and complete picture of a company's financial condition, results and business operations.	Compliant	The Company complies with the SEC Disclosure Rules found in the Philippine Stock Exchange website: http://www.pse.com.ph/stockMarket/listedCompaniesRules.html?tab=0 The disclosures of the Company are posted in the Company's website: http://bloomberg.ph/company-disclosures/ As well as in the PSE EDGE portal: http://edge.pse.com.ph/companyDisclosures/form.do?cmpy_id=49	
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Supplement to Recommendations 8.1

1. Company distributes or makes available annual and quarterly consolidated reports, cash flow statements, and special audit revisions. Consolidated financial statements are published within ninety (90) days from the end of the fiscal year, while interim reports are published within forty-five (45) days from the end of the reporting period.	Non-compliant		We submitted the Annual Report 95 days from the end of the fiscal year. http://bloomberg.ph/images/downloads/04052018071208April%205,%202018%20-%20BRC_17A_Dec2017-PSE.pdf We submitted the Quarterly Reports within the 45 days from the end of the reporting period. http://bloomberg.ph/images/downloads/06142017080640Bloom%20SEC%20Form%2017Q%20Q1-2017.pdf http://bloomberg.ph/images/downloads/02232018110537Aug%2010,%202017%20-%20Quarterly%20Report.pdf
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			http://bloomberly.ph/images/download/03072018085132Nov%209,%202017%20-%20Bloom%20SEC%20Form%2017Q%20Q3-2017.pdf
2. Company discloses in its annual report the principal risks associated with the identity of the company's controlling shareholders; the degree of ownership concentration; cross-holdings among company affiliates; and any imbalances between the controlling shareholders' voting power and overall equity position in the company.	Non-Compliant		The Company does not have a disclosure in its annual report on risks associated with the identity of the controlling stockholder (Prime Metroline Holdings Inc. of Mr. Enrique K. Razon, Jr.), and his degree of ownership concentration (68.75%) which is disclosed in the 20-IS, and crossholdings. Mr. Razon is the visionary behind Solaire Resort & Casino, the flagship business of the Company. Management believes that investors invest in shares of the Company because they believe in the vision and leadership of Mr. Razon. There is no imbalance between the controlling shareholders' voting power and the overall equity position in the company.
Recommendation 8.2			
1. Company has a policy requiring all directors to disclose/report to the company any dealings in the company's shares within three business days.	Non-Compliant		The Company follows the SEC rule requiring Directors and Officers to disclose their transactions involving shares of the Company within 5 (not 3) trading days. http://bloomberly.ph/company-

			disclosures/sec-form-23-a-b-statement-of-beneficial-ownership/
2. Company has a policy requiring all officers to disclose/report to the company any dealings in the company's shares within three business days.	Non-Compliant		The transactions of the directors involving shares of the Company are disclosed in 23B reports filed with the SEC and PSE. http://bloomberry.ph/company-disclosures/sec-form-23-a-b-statement-of-beneficial-ownership/
Supplement to Recommendation 8.2			
1. Company discloses the trading of the corporation's shares by directors, officers (or persons performing similar functions) and controlling shareholders. This includes the disclosure of the company's purchase of its shares from the market (e.g. share buy-back program).	Compliant	Item 4 of the 20-IS provides the shareholdings of the Directors, Officers, Controlling Stockholders, and shareholders owning more than 5% shares in the Company. http://bloomberry.ph/images/downloads/03072018090401Jan%2015,%202018%20-%20Public%20Ownership%20Report.pdf The Top 100 shareholders of the Company is posted in its website. http://bloomberry.ph/images/downloads/03072018090303Jan%2012,%202018%20-%20List%20of%20Top%20100%20Stockholders.pdf The total shares of the Company purchased in share buy-back program is disclosed in the 17-C reports. http://bloomberry.ph/images/downloads/04042018031527April%204,%202018%20-%20Share%20Buy-Back%20Transactions.pdf http://bloomberry.ph/images/downloads/03232018081320Mar%2022,%202018%20-	

		%20Share%20Buy-Back%20Transactions.pdf Provide link or reference to the company's Conglomerate Map. http://bloomberry.ph/about-us/our-company/company-shareholders-structure/	
Recommendation 8.3			
1. Board fully discloses all relevant and material information on individual board members to evaluate their experience and qualifications, and assess any potential conflicts of interest that might affect their judgment.	Compliant	The directors' academic qualifications, share ownership in the company, membership in other boards, other executive positions, professional experiences, expertise and relevant trainings attended are disclose in the Company's 20-IS. http://bloomberry.ph/images/downloads/05112018094533May%2010,%202018%20-%20Bloom%2020IS%202018%20(Definitive).pdf	
2. Board fully discloses all relevant and material information on key executives to evaluate their experience and qualifications, and assess any potential conflicts of interest that might affect their judgment.	Compliant	The key officers' academic qualifications, share ownership in the company, membership in other boards, other executive positions, professional experiences, expertise and relevant trainings attended are disclosed in Item 5 of the Company's 20-IS. http://bloomberry.ph/images/downloads/05112018094533May%2010,%202018%20-%20Bloom%2020IS%202018%20(Definitive).pdf	
Recommendation 8.4			
1. Company provides a clear disclosure of its policies and procedure for setting Board remuneration, including the level and mix of the same.	Non-Compliant		The Corporate Governance Manual requires the Board to: " Align the remuneration of key officers and board members with the long-term interests of the Corporation, such as

			providing a Stock Incentive Plan (SIP) so that good performance may be awarded in shares of stocks of the Corporation. " (Rule 2.6.15) http://52.74.53.71/file-manager/files/Manual%20On%20Corporate%20Governance/Amended%20Manual%20on%20Corporate%20Governance%20-%202017.pdf The Company does not provide policies and procedures for setting Board Remuneration. But Item 6 of its 20-IS provides the compensation paid to CEO and top 4 Executive officers as a group, and all other officers and Directors, as a group. This complies with current SEC requirement. http://bloomberly.ph/images/downloads/05112018094533May%2010.%202018%20-%20Bloom%2020IS%202018%20(Definitive).pdf
2. Company provides a clear disclosure of its policies and procedure for setting executive remuneration, including the level and mix of the same.	Non-Compliant		The Company does not provide policies and procedures for setting executive remuneration. But Item 6 of its 20-IS provides the compensation paid to CEO and top 4 Executive officers as a group, and all other officers and Directors, as a group. This complies with current SEC requirement. http://bloomberly.ph/images/downloads/05112018094533May%2010.%202018%20-%20Bloom%2020IS%202018%20(Definitive).pdf

			18%20-%20Bloom%2020IS%202018%20(Definitive).pdf
3. Company discloses the remuneration on an individual basis, including termination and retirement provisions.	Non-Compliant		The Company does not disclose the remuneration on an individual basis to protect the privacy of the individuals involved, and because there is no law requiring such individual disclosure.
Recommendation 8.5			
1. Company discloses its policies governing Related Party Transactions (RPTs) and other unusual or infrequently occurring transactions in their Manual on Corporate Governance.	Non-Compliant		The Corporate Governance Manual requires the directors: "Formulate and implement policies and procedures that would ensure group-wide the integrity and transparency of related party transactions (RPT) especially those which are over certain thresholds of materiality, between and among the corporation and its parent company, joint ventures, subsidiaries, associates, affiliates, major stockholders, officers and directors including their spouses, children and dependent siblings and parents, and interlocking director relationships by members of the Board to protect the interest of the Corporation" (Rule 2.6.10) But the Board has not been able to provide for this RPT Policy. http://52.74.53.71/file-manager/files/Manual%20On%20Corporate%20Governance/Amended%20

			Manual%20on%20Corporate%20Governance%20-%202017.pdf However the Corporate Governance Manual does require directors: "To conduct fair business transactions with the Corporation and to ensure that personal interest does not bias Board decisions or does not conflict with the interest of the Corporation." (Rule 2.7.1) http://52.74.53.71/file-manager/files/Manual%20On%20Corporate%20Governance/Amended%20Manual%20on%20Corporate%20Governance%20-%202017.pdf
2. Company discloses material or significant RPTs reviewed and approved during the year.	Non-Compliant		Note 14 of the audited financial statement of the Company disclose Related party transactions of the company. http://bloomberry.ph/images/downloads/04052018071208April%205.%202018%20-%20BRC%2017A%20Dec2017-PSE.pdf But it does not provide the transaction date (only the year), rationale of the transaction, and approval details.
Supplement to Recommendation 8.5			
1. Company requires directors to disclose their interests in transactions or any other conflict of interests.	Compliant	Directors are required to disclose their interests in transactions, or any other conflict of interests, before it is presented to the Board for discussion and approval.	

Optional : Recommendation 8.5			
1. Company discloses that RPTs are conducted in such a way to ensure that they are fair and at arms' length.	Non-Compliant		The Company has not established a formal RPT Policy other than the general policy provided in the Corporate Governance Manual and the brief statements on Code of Business Conduct Ethics posted in the website. Item 4, page 6 http://bloomberry.ph/file-manager/files/Code%20of%20Business%20Ethics/Code%20of%20Business%20Conduct%20and%20Ethics.pdf
Recommendation 8.6			
1. Company makes a full, fair, accurate and timely disclosure to the public of every material fact or event that occur, particularly on the acquisition or disposal of significant assets, which could adversely affect the viability or the interest of its shareholders and other stakeholders.	Compliant	Sept 12, 2017 – Material Information/ Transactions http://bloomberry.ph/images/downloads/02232018111817Sept%2014,%202017%20-%20Change%20in%20Shareholdings%20of%20Directors%20and%20Principal%20Officers.pdf Oct 30, 2017 – Change in Shareholdings of Directors and Principal Officers http://bloomberry.ph/images/downloads/03072018084717Oct%2030,%202017%20-%20Change%20in%20Shareholdings%20of%20Directors%20and%20Principal%20Officers%20-%20LU.pdf Nov 14, 2017 – Clarification of News Report http://bloomberry.ph/images/downloads/03072018085341Nov%2014,%202017%20-%20Clarification%20of%20News%20Reports.pdf	

2. Board appoints an independent party to evaluate the fairness of the transaction price on the acquisition or disposal of assets.	Non-Compliant		There are particular transactions where the Company retains the services of third parties to prepare the valuation. But there are some transactions where third parties valuers are not involved and only in house expertise are used.
Supplement to Recommendation 8.6			
1. Company discloses the existence, justification and details on shareholder agreements, voting trust agreements, confidentiality agreements, and such other agreements that may impact on the control, ownership, and strategic direction of the company.	Compliant	There are no shareholders' agreements, voting trust agreements, confidentiality agreements, and such other agreements that may impact on the control, ownership, and strategic direction of the Company.	
Recommendation 8.7			
1. Company's corporate governance policies, programs and procedures are contained in its Manual on Corporate Governance (MCG).	Compliant	http://52.74.53.71/file-manager/files/Manual%20On%20Corporate%20Governance/Amended%20Manual%20on%20Corporate%20Governance%20-%202017.pdf	
2. Company's MCG is submitted to the SEC and PSE.	Compliant		
3. Company's MCG is posted on its company website.	Compliant		
Supplement to Recommendation 8.7			
1. Company submits to the SEC and PSE an updated MCG to disclose any changes in its corporate governance practices.	Compliant	http://bloomberly.ph/images/downloads/06142017085059BLOOM%20Revised%20ACGR%20for%202016%20(1).pdf	
Optional: Principle 8			
1. Does the company's Annual Report		Provide link or reference to the company's	

disclose the following information:		Annual Report containing the said information. Item 9, Directors and Officers of the Issuer (pages 41-44) Item 13, Corporate Governance (page 48)	
a. Corporate Objectives	Non-compliant	http://bloomberry.ph/images/downloads/04052018071208April%205,%202018%20-%20BRC 17A Dec2017-PSE.pdf	We have Mission, Vision and Values posted in the website. http://bloomberry.ph/about-us/our-company/mission-vision-and-values/
b. Financial performance indicators	Compliant		
c. Non-financial performance indicators	Non-compliant		The 2017 Annual Report will contain our CSR Programs.
d. Dividend Policy	Non-Compliant		The Company does not have a specific dividend policy. But the Company has declared cash dividends in 2015 and in 2018.
e. Biographical details (at least age, academic qualifications, date of first appointment, relevant experience, and other directorships in listed companies) of all directors	Compliant		
f. Attendance details of each director in all directors meetings held during the year	Compliant		
g. Total remuneration of each member of the board of directors	Non-Compliant		Only compensation of other officers and the directors as a group is disclosed.

2. The Annual Report contains a statement confirming the company's full compliance with the Code of Corporate Governance and where there is non-compliance, identifies and explains reason for each such issue.	Non-compliant		Part 5 of pages 48 -50 of the Annual report covers Corporate Governance of the company
3. The Annual Report/Annual CG Report discloses that the board of directors conducted a review of the company's material controls (including operational, financial and compliance controls) and risk management systems.	Non-compliant		Each Internal Audit Report submitted to the Audit Committee contains the overall internal control evaluation of the company's compliance to operating procedures and internal control processes under review.
4. The Annual Report/Annual CG Report contains a statement from the board of directors or Audit Committee commenting on the adequacy of the company's internal controls/risk management systems.	Non-compliant		External Auditor's audit findings presented to the Audit Committee cover the evaluation on the adequacy of the company's internal controls/risk management system.
5. The company discloses in the Annual Report the key risks to which the company is materially exposed to (i.e. financial, operational including IT, environmental, social, economic).	Compliant	Annual Report, Item 6.8 Risks (page 39) Item 1 – 1.2 Business of Issuer -Discussion of Risk, page 13 http://bloomberry.ph/images/downloads/04052018071208April%205.%202018%20-%20BRC_17A_Dec2017-PSE.pdf	
Principle 9: The company should establish standards for the appropriate selection of an external auditor, and exercise effective oversight of the same to strengthen the external auditor's independence and enhance audit quality.			
Recommendation 9.1			
1. Audit Committee has a robust process for approving and recommending the appointment, reappointment, removal, and fees of the external auditors.	Compliant	http://52.74.53.71/file-manager/files/Manual%20On%20Corporate%20Governance/Amended%20Manual%20on%20Corporate%20Governance%20-%202017.pdf	

2. The appointment, reappointment, removal, and fees of the external auditor is recommended by the Audit Committee, approved by the Board and ratified by the shareholders.	NonCompliant		Only the appointment of the External Auditors were approved by the Audit, Committee, the Board and the Stockholders. The fees of the external auditor was approved only by the Audit Committee.
3. For removal of the external auditor, the reasons for removal or change are disclosed to the regulators and the public through the company website and required disclosures.	Compliant	The Company has not removed or changed its external auditor.	
Supplement to Recommendation 9.1			
1. Company has a policy of rotating the lead audit partner every five years.	Compliant	The Company follows the policy of rotating the lead audit partner every five years in accordance with the auditing standards.	
Recommendation 9.2			
1. Audit Committee Charter includes the Audit Committee's responsibility on: i. assessing the integrity and independence of external auditors; ii. exercising effective oversight to review and monitor the external auditor's independence and objectivity; and iii. exercising effective oversight to review and monitor the effectiveness of the audit process, taking into consideration relevant Philippine professional and regulatory requirements.	Non Compliant		We have an Audit Committee Charter which however is not posted in our website.
2. Audit Committee Charter contains the	Non		-SAME REASON-

Committee's responsibility on reviewing and monitoring the external auditor's suitability and effectiveness on an annual basis.	Compliant		
Supplement to Recommendations 9.2			
1. Audit Committee ensures that the external auditor is credible, competent and has the ability to understand complex related party transactions, its counterparties, and valuations of such transactions.	Non Compliant		-SAME REASON-
2. Audit Committee ensures that the external auditor has adequate quality control procedures.	Non Compliant		-SAME REASON-
Recommendation 9.3			
1. Company discloses the nature of non-audit services performed by its external auditor in the Annual Report to deal with the potential conflict of interest.	Compliant	Annual Report Item 8.2 External Audit Fees and Services, page 40 "Tax fees paid to the auditors are for tax compliance and tax advisory services. In 2017, 2016 and 2015, the other fees include fees for limited review services provided." http://bloomberg.ph/images/downloads/04052018071208April%205,%202018%20-%20BRC_17A_Dec2017-PSE.pdf	
2. Audit Committee stays alert for any potential conflict of interest situations, given the guidelines or policies on non-audit services, which could be viewed as impairing the external auditor's objectivity.	Compliant	Annual Report Item 8.2 External Audit Fees and Services, page 40 http://bloomberg.ph/images/downloads/04052018071208April%205,%202018%20-%20BRC_17A_Dec2017-PSE.pdf	

Supplement to Recommendation 9.3

1. Fees paid for non-audit services do not outweigh the fees paid for audit services.		Annual Report Item 8.2 External Audit Fees and Services, page 40 <table border="1"> <thead> <tr> <th></th><th colspan="3">For the Year Ended December 31</th></tr> <tr> <th><i>In thousands pesos</i></th><th>2017</th><th>2016</th><th>2015</th></tr> </thead> <tbody> <tr> <td>Audit</td><td>9,283.5</td><td>10,707.4</td><td>13,776.7</td></tr> <tr> <td>Tax & Others</td><td>6,316.0</td><td>6,356.0</td><td>4,065.0</td></tr> <tr> <td>Total</td><td>P15,599.5</td><td>P17,063.4</td><td>P17,841.7</td></tr> </tbody> </table> http://bloomberry.ph/images/downloads/04052018071208April%205.%202018%20-%20BRC_17A_Dec2017-PSE.pdf		For the Year Ended December 31			<i>In thousands pesos</i>	2017	2016	2015	Audit	9,283.5	10,707.4	13,776.7	Tax & Others	6,316.0	6,356.0	4,065.0	Total	P15,599.5	P17,063.4	P17,841.7	
	For the Year Ended December 31																						
<i>In thousands pesos</i>	2017	2016	2015																				
Audit	9,283.5	10,707.4	13,776.7																				
Tax & Others	6,316.0	6,356.0	4,065.0																				
Total	P15,599.5	P17,063.4	P17,841.7																				

Additional Recommendation to Principle 9

1. Company's external auditor is duly accredited by the SEC under Group A category.	Compliant	The company's external auditor are: 1. Name of the audit engagement partner: Christine G. Vallejo 2. SEC Accreditation number: 1402-AR-1 (Group A) 3. Date Accredited: March 2, 2017 4. Expiry date of accreditation: March 1, 2020 and 5. Name, address, contact number of the audit firm: SyCip Gorres Velayo & Co. 6760 Ayala Avenue, 1226 Makati City, Phils Tel: 632-891-0307	
2. Company's external auditor agreed to be subjected to the SEC Oversight Assurance Review (SOAR) Inspection Program conducted by the SEC's Office of the General Accountant (OGA).	Non-Compliant		SGV is not subject to SOAR. But SGV is the biggest and one of the most respective auditing firms in the country.

Principle 10: The company should ensure that the material and reportable non-financial and sustainability issues are disclosed.

Recommendation 10.1

1. Board has a clear and focused policy on the disclosure of non-financial information, with emphasis on the management of economic, environmental, social and governance (EESG) issues of its business, which underpin sustainability.	Non-Compliant		The Company does not have a focused policy on management of economic, environmental, social and governance issues. However, the Company has robust Corporate Social Responsibility program implemented through Bloomberg Cultural Foundation Inc. The Foundation supports the public clinics in Paranaque City. It has built a hospital in Tacloban, barracks for cadets at the Philippine Military Academy, provided logistics (including linens from the hotel) to soldiers in Marawi, donated to the National Museum, and helped in disaster relief. The company also has a program to combat problem gambling and addiction. Solaire Cares, the corporate social responsibility arm of Solaire Resort and Casino, held a Christmas celebration at the Manila Ocean Park for the children of Child Protection Network Foundation Inc. Solaire Cares also donated Php200,000 to the foundation to assist in their advocacy program.
2. Company adopts a globally recognized standard/framework in reporting sustainability and non-financial issues.	Non-Compliant		The Company does not have sustainability report, but the Company has robust Corporate

			Social Responsibility program implemented through Bloomberg Cultural Foundation Inc. and Solaire Cares.
Principle 11: The company should maintain a comprehensive and cost-efficient communication channel for disseminating relevant information. This channel is crucial for informed decision-making by investors, stakeholders and other interested users.			
Recommendation 11.1			
1. Company has media and analysts' briefings as channels of communication to ensure the timely and accurate dissemination of public, material and relevant information to its shareholders and other investors.	Compliant	The following are communication channels used by the company (i.e., website, Analyst's briefing, Media briefings /press conferences, Quarterly reporting, Current reporting, etc.): http://bloomberg.ph/investor-relations/investor-relations-programs/	
Supplemental to Principle 11			
1. Company has a website disclosing up-to-date information on the following:	Compliant	http://bloomberg.ph/home/	
a. Financial statements/reports (latest quarterly)	Compliant	http://bloomberg.ph/company-disclosures/sec-form-17-q-quarterly-report/	
b. Materials provided in briefings to analysts and media	Compliant	http://bloomberg.ph/investor-relations/investor-relations-programs/	
c. Downloadable annual report	Compliant	http://bloomberg.ph/company-disclosures/sec-form-17-a-annual-report	
d. Notice of ASM and/or SSM	Compliant	http://bloomberg.ph/company-disclosures/notice-of-annual-or-special-stockholders-meetings/	

e. Minutes of ASM and/or SSM	Compliant	http://bloomberry.ph/company-disclosures/minutes-of-all-general-special-stockholders-meetings/	
f. Company's Articles of Incorporation and By-Laws	Compliant	http://bloomberry.ph/about-us/our-company/articles-of-incorporation-and-by-laws/	
Additional Recommendation to Principle 11			
1. Company complies with SEC-prescribed website template.	Compliant	http://bloomberry.ph/home/	
Internal Control System and Risk Management Framework			
Principle 12: To ensure the integrity, transparency and proper governance in the conduct of its affairs, the company should have a strong and effective internal control system and enterprise risk management framework.			
Recommendation 12.1			
1. Company has an adequate and effective internal control system in the conduct of its business.	Compliant	Internal Audit Department of the Company assists the Board and/or the Audit Committee in discharging its governance responsibilities. The audit covers objective assurance and internal consulting services. On a quarterly basis, Internal Audit reports to the Audit Committee on its audit observations and status of remedial actions instituted by the Management. At the beginning of each year, an Annual Audit Plan, which covers gaming, non-gaming and IT related internal control processes, is presented to the Audit Committee for approval. All completed audit reports based on the Annual Audit Plan are submitted to the Audit Committee for its information. On a quarterly basis, Audit Committee reviews the audit reports/findings and the corresponding	

		management commitment action/s taken or to be taken.	
2. Company has an adequate and effective enterprise risk management framework in the conduct of its business.	Compliant	The Company has Enterprise Risk Management (ERM) Policies & Procedures. The Company has identified Key risks the company is currently facing including: cyber threat/drop in tourist visits due to the perceived deterioration of the political environment of the Philippines, etc. The company manages the key risks through Risk Minimalization and prevention program/risk transfer. On a quarterly basis, the Risk Officer reports the updated Risk Management Profile to the Audit Committee for review. Internal Audit reviews compliance to and effectiveness of the ERM system on an annual basis. http://bloomberry.ph/file-manager/files/ERM/BRC%20ERM.pdf	
Supplement to Recommendations 12.1			
1. Company has a formal comprehensive enterprise-wide compliance program covering compliance with laws and relevant regulations that is annually reviewed. The program includes appropriate training and awareness initiatives to facilitate understanding, acceptance and compliance with the said issuances.	Compliant	The Company has instituted at its operating company level a Compliance Committee Policy which: (a) formally constituted its Compliance Committee, which is chaired by the Senior Vice President for Administration and composed of different representatives from operating departments and business units; and (b) prescribed quarterly meetings for the review, determination and remediation of compliance matters.	

		The Company has likewise created a Compliance Department which: (a) provides support to the Compliance Committee; and (b) handles compliance requirements covering the whole organization The Management conducts a quarterly review on the Company's compliance with rules and regulations. http://edge.pse.com.ph/companyDisclosures/form.do?cmpy_id=49/ http://bloomberg.ph/company-disclosures/ BRHI, the casino subsidiary of the Company also submits regular reports to PAGCOR	
Optional: Recommendation 12.1			
1. Company has a governance process on IT issues including disruption, cyber security, and disaster recovery, to ensure that all key risks are identified, managed and reported to the board.	Compliant	The Company's IT governance process adopts the COBIT 5 principles that assists the Company in achieving its objectives for the governance, management control and assurance of IT. These principles are: 1) Meeting the stakeholders' needs 2) Applying single integrated framework 3) Enabling a holistic approach and 4) Separating governance from management. The Company's IT Governance is managed by the IT Governance body: The Executive Management sets the strategic direction of the Company and identifies operational improvement on technological investments.	

		IT Steering Committee, chaired by the Chief Information Officer with the department heads as members, is responsible for establishing the IT Project portfolio and monitoring project activities across the entire Company's IT projects. Enterprise Architecture Team facilitates architecture review process of each software applications to ensure its compliance with technical standards. Business Solutions/Project Management Office acts a liaison between the IT Steering Committee, business unit and individual project managers, and identifies detailed project requirements and manages the projects throughout its life cycle. IT Leadership Council ensures that technology investment supports the company's business objectives and strategies.	
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Recommendation 12.2

1. Company has in place an independent internal audit function that provides an independent and objective assurance, and consulting services designed to add value and improve the company's operations.	Compliant	The Company has a 13-member Internal Audit Department.	
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Recommendation 12.3

1. Company has a qualified Chief Audit Executive (CAE) appointed by the Board.	Compliant	The Chief Audit Executive of the Company is RICKY TSE. He performs objective assurance and internal consulting services. Reports to the Audit Committee on its audit observations and status of remedial actions instituted by the Management on a quarterly basis.	
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		At the beginning of each year, he presents an Annual Audit Plan, which covers gaming, non-gaming and IT related internal control processes, to the Audit Committee for approval. He submits all completed audit reports based on the Annual Audit Plan to the Audit Committee for its information. On a quarterly basis, he reports to the Audit Committee all audit reports/findings and the corresponding management commitment action/s taken or to be taken for their review.	
2. CAE oversees and is responsible for the internal audit activity of the organization, including that portion that is outsourced to a third party service provider.	Compliant	Ricky Tse as CAE oversees and is responsible for the internal audit activity of the organization, including that portion that is outsourced to a third party service provider.	
3. In case of a fully outsourced internal audit activity, a qualified independent executive or senior management personnel is assigned the responsibility for managing the fully outsourced internal audit activity.	Compliant	The Company has not found it necessary to outsource any internal audit activity.	
Recommendation 12.4			
1. Company has a separate risk management function to identify, assess and monitor key risk exposures.	Compliant	The Company has a Risk Management Department which identifies, assesses and manages the risks associated with its business to support the vision, mission, goals and objectives set out by the Management's strategic plans.	
Supplement to Recommendation 12.4			

1. Company seeks external technical support in risk management when such competence is not available internally.	Compliant	The Company has engaged Marsh Risk Consulting for insurance matters and risk management system.	
Recommendation 12.5			
1. In managing the company's Risk Management System, the company has a Chief Risk Officer (CRO), who is the ultimate champion of Enterprise Risk Management (ERM).	Compliant	Our CFO Estella T. Occena is the Chief Risk Officer. She is being assisted by the VP-Controllershship. Among the functions of the Risk Officer are: • Implement and coordinate comprehensive risk management system and policies. • Recommend an ERM system for approval. • Align risk policies and strategies with overall company business plan. The Chief Risk Officer for the Solaire operating unit is Arcan Lat, the SVP-Chief Financial Officer, and assisted by the Risk Officer. The Risk Officer has 8 years risk management experience, 4 of which in insurance and claims management for a global port operator and 4 years in property risk management for Solaire as an integrated entertainment facility. Among the functions of the Risk Officer for the Property are: • Develop an ERM system. • Coordinate implementation of risk management process, tools and methodologies. Monitor risk management commitment. • Communicate risk management philosophy and risk based information.	

2. CRO has adequate authority, stature, resources and support to fulfill his/her responsibilities.	Compliant	For corporate, Estella T. Occena – Chief Risk Officer She is also the Chief Financial Officer/Treasurer of the Company. For operating unit, the Chief Risk officer is the SVP - Chief Financial Officer, Arcan Lat. They both have adequate authority, stature, resources and support to fulfill her responsibilities.	
Additional Recommendation to Principle 12			
1. Company's Chief Executive Officer and Chief Audit Executive attest in writing, at least annually, that a sound internal audit, control and compliance system is in place and working effectively.	Non Compliant		Although there is no formal attestation, in fact a sound internal audit, control and compliance system is in place and working effectively in the Company.
Cultivating a Synergic Relationship with Shareholders			
Principle 13: The company should treat all shareholders fairly and equitably, and also recognize, protect and facilitate the exercise of their rights.			
Recommendation 13.1			
1. Board ensures that basic shareholder rights are disclosed in the Manual on Corporate Governance.	Compliant	Section V Stockholders' Rights and Protection of Minority Stockholders' Interest, pages 24-26 http://52.74.53.71/file-manager/files/Manual%20On%20Corporate%20Governance/Amended%20Manual%20on%20Corporate%20Governance%20-%202017.pdf	
2. Board ensures that basic shareholder rights are disclosed on the company's website.	Compliant	http://bloomberry.ph/home/	
Supplement to Recommendation 13.1			
1. Company's common share has one vote for one share.	Compliant	Each share has one vote.	

2. Board ensures that all shareholders of the same class are treated equally with respect to voting rights, subscription rights and transfer rights.	Compliant	Section V Stockholders' Rights and Protection of Minority Stockholders' Interest, pages 24-26 http://52.74.53.71/file-manager/files/Manual%20On%20Corporate%20Governance/Amended%20Manual%20on%20Corporate%20Governance%20-%202017.pdf	
3. Board has an effective, secure, and efficient voting system.	Compliant	MCG Section V Stockholders' Rights and Protection of Minority Stockholders' Interest, pages 24-26 http://52.74.53.71/file-manager/files/Manual%20On%20Corporate%20Governance/Amended%20Manual%20on%20Corporate%20Governance%20-%202017.pdf 20-IS Item 19 – Voting procedures (pages 16-17) http://bloomberly.ph/images/downloads/05112018094533May%2010,%202018%20-%20Bloom%2020IS%202018%20(Definitive).pdf	
4. Board has an effective shareholder voting mechanisms such as supermajority or “majority of minority” requirements to protect minority shareholders against actions of controlling shareholders.	Non-Compliant		The “Majority of Minority” shareholders' approval requirement is applied only when so required by law.
5. Board allows shareholders to call a special shareholders' meeting and submit a proposal for consideration or agenda item at the AGM or special meeting.	Non-Compliant		The Corporate Governance Manual allows the Board to provide for this at the discretion of the Board.
6. Board clearly articulates and enforces policies with respect to treatment of minority shareholders.	Compliant	Section V Stockholders' Rights and Protection of Minority Stockholders' Interest, pages 24-26	

		http://52.74.53.71/file-manager/files/Manual%20On%20Corporate%20Governance/Amended%20Manual%20on%20Corporate%20Governance%20-%202017.pdf	
7. Company has a transparent and specific dividend policy.	Non-Compliant		The Company does not have a dividend policy but the Company has declared cash dividends in 2015 and in 2018.
Optional: Recommendation 13.1			
1. Company appoints an independent party to count and/or validate the votes at the Annual Shareholders' Meeting.	Non-Compliant		The number of shareholders who appear during stockholders is manageable. The Company does not find it necessary to engage third parties to count or validate the votes
Recommendation 13.2			
1. Board encourages active shareholder participation by sending the Notice of Annual and Special Shareholders' Meeting with sufficient and relevant information at least 28 days before the meeting.	Compliant	The notice and agenda of the Annual Stockholders' Meeting were sent out 26 days before the meeting (Issued May 10, 2018; ASM June 5, 2018) http://bloomberly.ph/images/downloads/05112018094533May%2010,%202018%20-%20Bloom%2020IS%202018%20(Definitive).pdf	
Supplemental to Recommendation 13.2			
1. Company's Notice of Annual Stockholders' Meeting contains the following information:	Compliant	http://bloomberly.ph/images/downloads/04262018104814April%2025,%202018%20-%20Notice%20of%20Annual%20or%20Special%20Stockholders%20Meeting.pdf	
a. The profiles of directors (i.e., age, academic qualifications, date of first appointment, experience, and	Compliant	Item 5 – Directors and Executive Officers, pages 5-9 http://bloomberly.ph/images/downloads/051	

directorships in other listed companies)		12018094533May%2010,%202018%20-%20Bloom%2020IS%202018%20(Definitive).pdf	
b. Auditors seeking appointment/re-appointment	Compliant	Item 7 – External Public Accountants, page 12 http://bloomberly.ph/images/downloads/05112018094533May%2010,%202018%20-%20Bloom%2020IS%202018%20(Definitive).pdf	
c. Proxy documents	Non Compliant		Management does not ask for proxy.
Optional: Recommendation 13.2			
1. Company provides rationale for the agenda items for the annual stockholders meeting	Non-Compliant		The agenda items are simple and self-explanatory. It is redundant and confusing to provide the rationale for the agenda items
Recommendation 13.3			
1. Board encourages active shareholder participation by making the result of the votes taken during the most recent Annual or Special Shareholders' Meeting publicly available the next working day.	Non-Compliant		The details of the result of the Annual meeting is disclosed immediately when it is considered a material event or information. Otherwise the result shown in the minutes of the stockholders meeting is posted in the website, but not on the next working day.
2. Minutes of the Annual and Special Shareholders' Meetings were available on the company website within five business days from the end of the meeting.	Non-Compliant		The minutes of the meeting of the annual stockholders meeting provides the voting results for all agenda items, including the approving, dissenting and abstaining votes. It provided that stockholders were given an opportunity to ask question and the answers given, if any. But the minutes is not posted within 5

			business days. http://bloomberry.ph/company-disclosures/minutes-of-all-general-special-stockholders-meetings
Supplement to Recommendation 13.3			
1. Board ensures the attendance of the external auditor and other relevant individuals to answer shareholders questions during the ASM and SSM.	Compliant	Representatives of SGV the external auditor were present during the ASM when the audited financial statements is presented for approval.	
Recommendation 13.4			
1. Board makes available, at the option of a shareholder, an alternative dispute mechanism to resolve intra-corporate disputes in an amicable and effective manner.	Non Compliant		No intra-corporate dispute has been raised as would require such alternative dispute resolution.
2. The alternative dispute mechanism is included in the company's Manual on Corporate Governance.	Compliant	http://52.74.53.71/file-manager/files/Manual%20On%20Corporate%20Governance/Amended%20Manual%20on%20Corporate%20Governance%20-%202017.pdf	
Recommendation 13.5			
1. Board establishes an Investor Relations Office (IRO) to ensure constant engagement with its shareholders.	Compliant	The officer/office responsible for investor relations, was: 1. Name of the person: Gerardo Angelo J. Festin (effective April 16, 2018) 2. Telephone number: 883-8790 3. Fax number: 883-8545 4. E-mail address: gfestin@brc.ph	
2. IRO is present at every shareholder's meeting.	Compliant	The IRO was present during the ASM.	
Supplemental Recommendations to Principle 13			
1. Board avoids anti-takeover measures or	Compliant	There is no anti-takeover measures or similar	

similar devices that may entrench ineffective management or the existing controlling shareholder group		devices applicable to the Company.	
2. Company has at least thirty percent (30%) public float to increase liquidity in the market.	Compliant	The public float of the Company as of December 31, 2017 was 33.925%. Annual Report Item 5.2 (page 19) http://bloomberly.ph/images/downloads/04052018071208April%205,%202018%20-%20BRC_17A_Dec2017-PSE.pdf	
Optional: Principle 13			
1. Company has policies and practices to encourage shareholders to engage with the company beyond the Annual Stockholders' Meeting	Non-Compliant		The Company has no policies and practices to encourage shareholders' participation beyond ASM. However they are welcome to communication with the Company as the contact details of the Company and its officers are public record.
2. Company practices secure electronic voting in absentia at the Annual Shareholders' Meeting.	Non-Compliant		The Company does not allow electronic voting in absentia as the SEC has not provided the rules on it.
Duties to Stakeholders			
Principle 14: The rights of stakeholders established by law, by contractual relations and through voluntary commitments must be respected. Where stakeholders' rights and/or interests are at stake, stakeholders should have the opportunity to obtain prompt effective redress for the violation of their rights.			
Recommendation 14.1			
1. Board identifies the company's various stakeholders and promotes cooperation between them and the company in creating wealth, growth and sustainability.	Compliant	Under the company's Vendor Management Policy, "The Company is committed in establishing good business relationship with vendors as key partners to the success of the organizations."	

		There is a "Solaire Moment Maker" policy which recognizes the most outstanding, dedicated and professional team members who provide a level of service that is way beyond guests' expectation and tremendously contributes to build brand and loyalty. While we encourage patrons to have fun, we ask them to play responsibly. Banned persons are not allowed to enter, stay or play in the casino gaming area. All winnings of a Banned Person is forfeited. We direct those who need professional assistance to the Bridges of Hope Drugs and Alcohol Rehabilitation Foundation Inc. Paranaque: (+632) 622-0193 0917-5098826 New Manila: (+632) 502-0600 0917-8560623 www.bridgesofhope.com.ph	
Recommendation 14.2			
1. Board establishes clear policies and programs to provide a mechanism on the fair treatment and protection of stakeholders.	Compliant	The Corporate Governance Manual Company provides for protection of minority shareholders rights. http://52.74.53.71/file-manager/files/Manual%20On%20Corporate%20Governance/Amended%20Manual%20on%20Corporate%20Governance%20-%202017.pdf	
Recommendation 14.3			
1. Board adopts a transparent framework and process that allow stakeholders to communicate with the company and to obtain redress for the violation of their	Non-Compliant		The Company is open to complaints communicated by stakeholders. The contact details of relevant officers of the Company are publicly available

rights.			and may be used by any stakeholder who wants to raise a matter of concern to the Company. Even if the company has no whistle-blowing policy, we would receive information on certain violations of rules which we then investigate.
Supplement to Recommendation 14.3			
1. Company establishes an alternative dispute resolution system so that conflicts and differences with key stakeholders is settled in a fair and expeditious manner.	Non-Compliant		No dispute with stake holders have been raised with the Company as would require the voluntary alternative dispute resolution system.
Additional Recommendations to Principle 14			
1. Company does not seek any exemption from the application of a law, rule or regulation especially when it refers to a corporate governance issue. If an exemption was sought, the company discloses the reason for such action, as well as presents the specific steps being taken to finally comply with the applicable law, rule or regulation.	Compliant	We do not ask for exemption from the application of a law, rule or regulation especially when it refers to a corporate governance issue. There are instances when we are required by PSE to explain a news item, where we ask for more time to submit the explanation because verification of information usually requires more time.	
Company respects intellectual property rights.	Compliant	We are not a party in any dispute involving intellectual property rights.	
Optional: Principle 14			
1. Company discloses its policies and practices that address customers' welfare	Compliant	The Company website (https://www.solaireresort.com/uploads/media/default/0001/05/7e164e70f7cbbdde6e1	

		2f3a219937baeabef39a8.pdf) contains the link to Responsible Gaming which provides that, while we encourage patrons to have fun, we ask them to play responsibly. Banned persons are not allowed to enter, stay or play in the casino gaming area. All winnings of a Banned Person is forfeited. We direct those who need professional assistance to the Bridges of Hope Drugs and Alcohol Rehabilitation Foundation Inc. Paranaque: (+632) 622-0193 0917-5098826 New Manila: (+632) 502-0600 0917-8560623 www.bridgesofhope.com.ph There is a "Solaire Moment Maker" policy which recognizes the most outstanding, dedicated and professional team members who provide a level of service that is way beyond guests' expectation and tremendously contributes to build brand and loyalty. This is an internal policy not posted in the website. We have Service Standards that create positive experience with the guests: acknowledging guests, making eye contact, smiling and greeting; personalized customer interaction; understanding customer needs; and personally taking action to handle requests or problems. The company has a Solaire Rewards Program where members are entitled to earn points as they play that be used for Free-play, hotel stay, dining and retail merchandise.	
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		https://www.solaireresort.com/rewards	
2. Company discloses its policies and practices that address supplier/contractor selection procedures	Non Compliant		The company has Procurement Department Policies and Procedures Manual, one of the objectives of which is to establish good business relationship with vendors as key partners to the success of the organizations. Relevant provision of the Manual are given to interested suppliers and vendor to comply with but the Manual itself is not posted in the website.
Principle 15: A mechanism for employee participation should be developed to create a symbiotic environment, realize the company's goals and participate in its corporate governance processes.			
Recommendation 15.1			
1. Board establishes policies, programs and procedures that encourage employees to actively participate in the realization of the company's goals and in its governance.	Non-Compliant		There is a "Solaire Moment Maker" policy which recognizes the most outstanding, dedicated and professional team members who provide a level of service that is way beyond guests' expectation and tremendously contributes to build brand and loyalty. This is an internal policy and not posted in the website.
Supplement to Recommendation 15.1			
1. Company has a reward/compensation policy that accounts for the performance of the company beyond short-term	Compliant	The Company has a Stock Incentive Plan (SIP) which awards and incentivizes employees, at the same time aligns their	

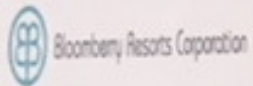
financial measures.		interests with those of the shareholders. http://bloomberry.ph/images/downloads/04052018071208April%205,%202018%20-%20BRC_17A_Dec2017-PSE.pdf	
2. Company has policies and practices on health, safety and welfare of its employees.	Compliant	All team members are subject to Annual Physical Examination (APE). This include CBC and other blood tests, ECG, Chest X-ray, Urine and Stool exams, Pap Smear and Physical Exams. All local team members are covered by medical plans under Maxicare Healthcare Corporation. They can avail of healthcare services (out-patient, in-patient or emergency cases) by presenting their Certificate of Coverage along with their valid Company ID or any government-issued ID to any of Maxicare accredited facilities. The company provide free Flu vaccines shots for all Team Members. The company has a fully equipped gym open for use of all Team Members.	
3. Company has policies and practices on training and development of its employees.	Compliant	The company has had the following Trainings programs in 2017; Active Listening, Value Driven Work Culture, Ultimate Guest Service, Stress Management, Problem Solving and Decision Making, Essential Supervisory Skills, Intermediate MS Excel, Conducting Effective Meetings and Effective Business Writing.	

Recommendation 15.2

1. Board sets the tone and makes a stand against corrupt practices by adopting an anti-corruption policy and program in its Code of Conduct.	Non Compliant		The company's Team Member Code of Good Behavior prohibits acts of corruption but this Code of Good Behavior is internal to the company and is not posted in the website.
2. Board disseminates the policy and program to employees across the organization through trainings to embed them in the company's culture.	Compliant	The Team Member Code of Good Behavior book is given to all team members. They are required to acknowledge receiving the book, agree to take good care of the book and return the same upon cessation of their employment.	
Supplement to Recommendation 15.2			
1. Company has clear and stringent policies and procedures on curbing and penalizing employee involvement in offering, paying and receiving bribes.	Non Compliant		The Team Member Code of Good Behavior book contains a list of violations and corrective actions. However, the company's Team Member Code of Good book is internal to the company and is not posted in the website.
Recommendation 15.3			
1. Board establishes a suitable framework for whistleblowing that allows employees to freely communicate their concerns about illegal or unethical practices, without fear of retaliation	Non Compliant		Even if the company has no whistleblowing policy, we would receive information on certain violations of rules which we then investigate.
2. Board establishes a suitable framework for whistleblowing that allows employees to have direct access to an independent member of the Board or a unit created to handle whistleblowing concerns.	Non Compliant		Even if the company has no whistleblowing policy, we would receive information on certain violations of rules which we then investigate.
3. Board supervises and ensures the	Non		Even if the company has no whistle-

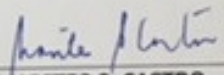
enforcement of the whistleblowing framework.	Compliant		blowing policy, we would receive information on certain violations of rules which we then investigate.
Principle 16: The company should be socially responsible in all its dealings with the communities where it operates. It should ensure that its interactions serve its environment and stakeholders in a positive and progressive manner that is fully supportive of its comprehensive and balanced development.			
Recommendation 16.1			
1. Company recognizes and places importance on the interdependence between business and society, and promotes a mutually beneficial relationship that allows the company to grow its business, while contributing to the advancement of the society where it operates.	Compliant	The Company has established the Bloomberg Cultural Foundation and Solaire Cares as its Corporate Social Responsibility Arm. The Company also supports the program against Problem Gambling and Addiction. https://www.solaireresort.com/uploads/media/default/0001/05/7e164e70f7cbbdde6e12f3a219937baeabef39a8.pdf	
Optional: Principle 16			
1. Company ensures that its value chain is environmentally friendly or is consistent with promoting sustainable development	Non-Compliant		The company has undertaken the following programs: minimize food waste campaign, awareness program on water and energy conservation, shredding and recycling of gaming cards, paper use reduction and recycling, minimize colored-printing and recycling and donation of used hotel soaps.
2. Company exerts effort to interact positively with the communities in which it operates	Compliant	The company's CSR arm Bloomberg Cultural Heritage Foundation donates funds for the health clinics and other health programs of the City of Paranaque in the	

		amount of P 1 Million pesos a month. All team members are required to pay community residence certificate tax to the City of Paranaque. Under the Solaire Cares program, the team members in Solaire sets aside an amount from their salary every month and donates to charitable institutions at the end of the year. Examples are outreach programs spearheaded by the Solaire Security department. The Daughters of Charity received a total of P87,500.00 for the month of November and December which was donated for the Noche Buena package distributed to 400 families. The Bureau of Fire Protection received a cash donation of P10,000.00 from the Security Department. There was a contribution of P200,000.00 to Child Protection Network and some Solaire team members volunteered to Adopt a child for a day and took them to Ocean Park.	
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CERTIFICATION

This is to certify that **Mr. RICKY TSE** was appointed as Vice-President for Internal Audit Department last **September 1, 2014**. His appointment for the position was approved by the Audit Committee.

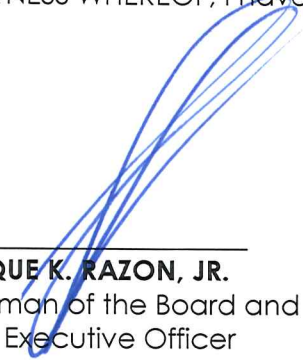


MARITES S. CASTRO
Executive Director – Corporate Audit

Manila Philippines
25 May 2018

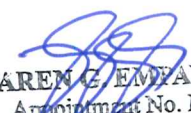
IN WITNESS WHEREOF, I have hereunto set my hand on MAY 29 2018 in MAKATI CITY.

By:


ENRIQUE K. RAZON, JR.
Chairman of the Board and
Chief Executive Officer

SUBSCRIBED AND SWORN to before me this MAY 29 2018 in MAKATI CITY, affiant
exhibiting to me his Passport No. EC5918738 issued on 9 November 2015 in Manila.

Doc. No. 462;
Page No. 94;
Book No. IV;
Series of 2018.


KAREN C. EMAYNADO
Appointment No. M-282
Notary Public for Makati City
Until December 31, 2018
Penthouse, Liberty Center
104 H.V. dela Costa Street, Makati City
Roll No. 66325
PTR No. 6619644/Makati City/01-05-2018
IBP No. LRN-015033/Quezon City/May 30, 2016

IN WITNESS WHEREOF, I have hereunto set my hand on MAY 29 2018 in MAKATI CITY.

By:



THOMAS ARASI
President and
Chief Operating Officer

SUBSCRIBED AND SWORN to before me this MAY 29 2018 in MAKATI CITY, affiant exhibiting to me his Passport No. 486967802 issued on 21 November 2011 in U.S.A.

Doc. No. 463;
Page No. 94;
Book No. IV;
Series of 2018.


KAREN G. EMPAYNADO
Appointment No. M-282
Notary Public for Makati City
Until December 31, 2018
Penthouse, Liberty Center
104 H.V. dela Costa Street, Makati City
Roll No. 66325
PTR No. 6619644/Makati City/01-05-2018
IBP No. LRN-015033/Quezon City/May 30, 2016

IN WITNESS WHEREOF, I have hereunto set my hand on MAY 25 2018 in MAKATI CITY

By:


JON RAMON M. ABOITIZ
Independent Director

SUBSCRIBED AND SWORN to before me this MAY 25 2018 in MAKATI CITY affiant
exhibiting to me his Passport I.D issued on 29 November 2013 in DFA Cebu.
No. EB97H8353

Doc. No. 437;
Page No. 89;
Book No. IV;
Series of 2018.


KAREN G. EMPAYNADO
Appointment No. M-282
Notary Public for Makati City
Until December 31, 2018
Penthouse, Latory Center
104 H.V. dela Costa Street, Makati City
Roll No. 68527
PTR No. 6819644/Makati City/01-05-2018
IBP No. LRN 015077/Makati City/May 30, 2016

IN WITNESS WHEREOF, I have hereunto set my hand on MAY 29 2018 in MAKATI CITY

By:


CARLOS C. EJERCITO
Independent Director

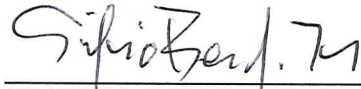
SUBSCRIBED AND SWORN to before me this MAY 29 2018 in MAKATI CITY affiant exhibiting to me his OSCA ID No. 6390 issued on 27 January 2006 in Muntinlupa City.

Doc. No. 404;
Page No. 94;
Book No. IV;
Series of 2018.


KAREN G. EMPAYNADO
Appointment No. M-282
Notary Public for Makati City
Until December 31, 2018
Penthouse, Liberty Center
104 H.V. dela Costa Street, Makati City
Roll No. 66335
PTR No. 6619044/Makati City/01-05-2018
JBP No. LRN-015033/Quezon City/May 30, 2016

IN WITNESS WHEREOF, I have hereunto set my hand on MAY 29 2018 in MAKATI CITY

By:



SILVERIO BENNY J. TAN

Corporate Secretary and Compliance Officer

SUBSCRIBED AND SWORN to before me this MAY 29 2018 in MAKATI CITY,
affiant exhibiting to me his Passport with Number EC5225365 issued on 6 September 2015 in DFA,
Manila.

Doc. No. 405;
Page No. 94;
Book No. IV;
Series of 2018.



KAREN G. EMPAYNADO

Appointment No. M-282

Notary Public for Makati City

Until December 31, 2018

Penthouse, Liberty Center

104 H.V. dela Costa Street, Makati City

Roll No. 56325

PTR No. 6619644/Makati City/01-05-2018

IBP No. LRN-015033/Quezon City/May 30, 2016