



## SEC FORM – ACGR ANNUAL CORPORATE GOVERNANCE REPORT

1. For the fiscal year ended 31 December 2024
2. SEC Registration Number AS092-000798
3. BIR Tax Identification Number 002-829-253-000
4. Exact Name of the Issuer as specified in its charter The Orchard Golf and Country Club, Inc.
5. Province, Country or other jurisdiction of incorporation or organization Philippines
6. Address of Principal Office Km. 27 Aguinaldo Highway, Salawag, Dasmariñas City, Cavite
7. Postal Code 4114
8. Issuer's telephone number, including area code (632) 8982-2000
9. Former name, former address, and former fiscal year, if changed since last report Not Applicable
10. Industry Classification Code (For SEC's use only)

ANNUAL CORPORATE GOVERNANCE REPORT			
RECOMMENDATION	COMPLIANT/ NON-COMPLIANT	ADDITIONAL INFORMATION	EXPLANATION
<b>THE BOARD'S GOVERNANCE RESPONSIBILITIES</b>			
<b>Principle 1. ESTABLISHING A COMPETENT BOARD</b>			
The company should be headed by a competent, working Board to foster the long- term success of the corporation, and to sustain its competitiveness and growth in a manner consistent with its corporate objectives and the long-term best interests of its shareholders/members and other stakeholders.			
<b>Recommendation 1.1</b>			
1. The Board is composed of directors with collective working knowledge, experience or expertise that is relevant to the company's industry/sector.	COMPLIANT	Principle 1 and Recommendation 1.1 are embodied in the Manual on Corporate Governance of The Orchard Golf and Country Club Inc. (the "Club") as of 20 January 2022 (the "Manual"), specifically Section 3 thereof.	
2. The Board has an appropriate mix of competence and expertise.	COMPLIANT	The academic qualifications, industry, knowledge, professional experience and expertise of directors are set forth in pages 20 to 22, Part III, Item 9 of the Club's SEC Form 17-A or the Annual Report for the fiscal year 31 December 2024 filed with the SEC on 15 April 2025 (the "Annual Report").	
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	The qualification standards for directors to facilitate the selection and potential nominees and to serve as benchmark for the evaluation of their performance are specified in Section 3.5, 3.6 and 3.8 of the Manual and Section 2, Article VIII of the Club's Amended By-laws as approved by the SEC on 29 March 2021.	
<b>Recommendation 1.2</b>			
1. The Board is headed by a competent and qualified Chairperson.	COMPLIANT	Mr. Vicente R. Santos is the Chairman of the Club's Board of Directors. He has serviced the Club for 31	

		years. His profile may be found on page 20 of the Club's Annual Report.	
<b>Recommendation 1.3</b>			
1. The company provides a policy on training of directors.	<b>COMPLIANT</b>	In Section 3.2 (d) of the Manual, the Board is given the power to adopt policies relating to the training of directors, including an orientation program for first-time directors.	
2. The company has an orientation program for first time directors.	<b>COMPLIANT</b>	Section 3.2 (d) of the Manual authorizes the Board to provide an orientation program for first-time directors. The Chairman is likewise responsible for the continuing training opportunity for all directors, pursuant to Section 3.3 (c)(vi) of the Manual.	
3. The company has relevant annual continuing training for all directors.	<b>COMPLIANT</b>	The directors attended a seminar on the Basics of Corporate Governance hosted and facilitated by Ateneo de Manila University Graduate School of Business Center for Continuing Education via Zoom On 17 July 2024.	
<b>Recommendation 1.4</b>			
1. The Board has a policy on board diversity.	<b>COMPLIANT</b>	<p>In Section 3.5 of the Manual, the qualifications of directors are as follows:</p> <ul style="list-style-type: none"> <li>(a) He or she must be a holder of at least one (1) share of stock of the Club;</li> <li>(b) He or she shall be at least a college graduate or have sufficient experience in managing the business to substitute for such formal education;</li> <li>(c) He or she shall be at least twenty-one (21) years old;</li> <li>(d) He or she shall have proven to possess integrity and probity; and</li> <li>(e) He or she shall be assiduous.</li> </ul>	

		The members of the Board come from diverse backgrounds, including law, the finance and business industries, and policy advocacy.	
<b>Recommendation 1.5</b>			
1. The Board is assisted by a Corporate Secretary.	<b>COMPLIANT</b>	<p>The qualifications, duties and functions of the Corporate Secretary are set out in Article IX, Section 6 of the Club's By-laws and Item 5 of the Manual. Further, pursuant to Section 1, Article IX of the Club's By-laws, the Board may appoint one or more Assistant Secretaries as it may deem proper, who need not be regular members.</p> <p>Mr. Exequiel D. Robles is the Corporate Secretary of the Club. In addition, Ms. Mariza S. Tan and Atty. Chiles Megan M. Areño, are the Club's First and Second Assistant Corporate Secretaries, respectively.</p> <p>Their academic qualifications and professions experience are set out on pages 21 to 23 of the Annual Report.</p>	
2. The Corporate Secretary is a separate individual from the Compliance Officer.	<b>COMPLIANT</b>	<p>Ms. Mariza S. Tan is the Club's Compliance Officer while Atty. Chiles Megan M. Areño is the Club's Assistant Compliance Officer. Atty. Areño is also the retained counsel of the Club.</p> <p>Their academic qualifications and professions experience are set out on pages 22 to 23 of the Annual Report.</p>	
3. The Corporate Secretary is not a member of the Board of Directors.	<b>NON-COMPLIANT</b>	Mr. Robles is a director and a member of the Board while Ms. Tan and Atty. Areño are not.	Customarily, the Board appoints the General Counsel of a company as the

			<p>Corporate Secretary and Compliance Officer, as they deem it fit that these positions be held by a person with legal knowledge, considering the nature of these functions. However, given Mr. Robles' in depth experience in real estate and being the President and CEO of the Club's majority shareholders, Sta. Lucia Realty &amp; Development, Inc., he is fitting to occupy the said position.</p> <p>In any case, Mr. Robles is assisted and substituted by Ms. Tan and Atty. Areño should Mr. Robles be unavailable to act as such.</p> <p>The Board deems that the foregoing arrangement is effective, efficient and maximizes the resources of the Club.</p>
4. The Corporate Secretary attends training/s on corporate governance.	<b>NON-COMPLIANT</b>	The First Assistant Corporate Secretary, Ms. Santos-Tan attended a seminar on the Basics of Corporate Governance hosted and facilitated by the Ateneo de Manila University Graduate School of Business Center for Continuing Education via Zoom on 17 July 2024.	The Board affirms that to ensure compliance with corporate governance requirements, attendance at the corporate governance seminar shall be undertaken by the Corporate Secretary, or in their absence, by the First Assistant Corporate Secretary or Second Assistant Corporate Secretary, as may be available.

Recommendation 1.6			
1. The Board is assisted by a Compliance Officer.	COMPLIANT	The qualifications, duties and functions of the Compliance Officer are set out in Section 5.2 of the Manual.	
2. Compliance Officer has a rank of Senior Vice President or an equivalent position with adequate stature and authority in the corporation.	COMPLIANT	The Compliance Officer of the Club is Ms. Mariza S. Tan, and the Assistant Compliance Officer is Atty. Chiles Megan M. Areño.  Their academic qualifications and professional experience are set out on pages 22 to 23 of the Annual Report.	
3. The Compliance Officer is not a member of the board.	COMPLIANT	Ms. Tan and Atty. Areño are not members of the Board.	
4. The Compliance Officer attends training/s on corporate governance.	COMPLIANT	On 17 July 2024, Ms. Santos-Tan attended a seminar on the Basics of Corporate Governance hosted and facilitated by the Ateneo de Manila University Graduate School of Business Center for Continuing Education via Zoom.	

## Principle 2. ESTABLISHING CLEAR ROLES AND RESPONSIBILITIES OF THE BOARD

The fiduciary roles, responsibilities and accountabilities of the Board as provided under the law, the company's articles of incorporation and by-laws, and other legal pronouncements and guidelines should be clearly made known to all directors as well as to shareholders/members and other stakeholders.

### Recommendation 2.1

1. The Directors act on a fully informed basis, in good faith, with due diligence and care, and in the best interest of the company, shareholders and stakeholders.	COMPLIANT	Principle 2 and Recommendation 2.1 are embodied in Section 1.2 and 2.2 of the Manual.  The undersigned Chairman and the Corporate Secretary attest that the Board, during its meetings, acts on a fully informed bases, in good faith, with due diligence and care, and always in the best interest of	
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		the Club through active deliberations during said Board meetings when the topics and matters for approval so warrant.	
<b>Recommendation 2.2</b>			
1. The Board oversees the development, review and approval of the company's business objectives and strategy.	<b>COMPLIANT</b>	The undersigned Chairman and Corporate Secretary attest that:  (a) The Board of Directors approves the annual budget of the Club which included the approval of the Club's objectives and strategy for the upcoming year, which approval is made on an annual basis;	
2. The Board oversees and monitors the implementation of the company's business objectives and strategy.	<b>COMPLIANT</b>	(b) The Finance Manager, upon the direction of the Chief Operating Officer, reports to the Board of Directors on a quarterly basis the implementation of the Club's business objectives and strategy; and  (c) The Board of Directors approves the financial report and financial position of the Club on a quarterly basis as embodied in the Club's SEC Form 17-Q which is filed with the Commission.  Recommendation 2.2 is embodied in Section 2.2 and 7.1 (c) of the Manual.  The Club has filed its SEC Form 17-Q for the first quarter of 2025 on 7 May 2025.	
<b>Recommendation 2.3</b>			
1. The Board ensures and adopts an effective succession planning program for directors, key officers and management.	<b>COMPLIANT</b>	Under Section 3.7 (b) (i) of the Manual, the Board shall "implement a process for the selection of directors who can add value and contribute independent judgment to the formulation of sound corporate strategies and policies, appoint	

2. The Board adopts a policy on the retirement for directors and key officers.	<b>COMPLIANT</b>	<p>competent, professional, honest and highly motivated management officers, and adopt an effective succession planning program for Management.</p> <p>Sections 3.9 (b) (v), 4.2 (c) (iv) of the Manual likewise provides for such.</p>	
<b>Recommendation 2.4</b>			
1. The Board aligns the remuneration of key officers and board members with long-term interests of the company.	<b>COMPLIANT</b>	<p>Under Section 3.7 (b) (ix), the Board shall “provide a clear disclosure of its policies and procedure for setting Board and executive remuneration, as well as the level and mix of the same in the Annual Corporate Governance Report.” Thus, the Manual provides for a specific section for the remuneration of officers, specifically, Section 3.11.</p>	
2. The Board adopts a policy specifying the relationship between remuneration and performance.	<b>COMPLIANT</b>	<p>Under Section 4.2 of the Manual, the Corporate Governance Committee is tasked to assist the Board in the performance of its corporate governance responsibilities, including the functions that were formerly assigned to the Compensation or Remuneration Committee.</p>	
3. The Directors do not participate in discussions or deliberations involving his/her own remuneration.	<b>COMPLIANT</b>	<p>Under Article VII, Section 1 of the Club’s By-laws, “Directors shall receive no salaries from the Club as such but shall be entitled to reasonable per diems for meeting(s) actually attended in an amount to be determined by the Board of Directors.</p> <p>A comparative matrix of the compensation received by directors and executive officers for the years 2022 to 2025 is found on page 23 to 24, Item 10, Part III of the Annual Report.</p>	

Recommendation 2.5		
1. The Board has a formal and transparent board nomination and election policy.	COMPLIANT	<p>The nomination and election process of the Club is set out in Article VIII of the Club's By-laws and pages 19 to 22 of the Club's Definitive Information Statement dated 16 July 2024. The respective duties of the Nomination Committee and the Election Committee are set out in Sections 4.3 and 4.4, respectively, of the Manual.</p> <p>Under Article VIII, Section 3 of the Club's By-laws and Section 4.3 (b) of the Manual, the Nomination Committee shall call for and accept nominations in writing from Regular Members of the Club and prescreen the qualifications of all nominated candidates.</p> <p>Pursuant to Article VIII, Section 1 of the Club's By-laws and Section 4.4 (b) of the Manual, the Election Committee shall oversee the conduct of the election of directors; rule on the validity and appreciation of proxies; and act on all matters that will ensure the orderly conduct of the election except those functions pertaining to the Nomination Committee.</p> <p>The Nomination Committee is tasked to, among others, verify the qualifications of the nominees for directors. It is composed of the following members who are all members of the Board, the Chairman and Vice-Chairman being independent directors:</p> <p>Chairman: Mr. Jose Arturo M. Tugade</p> <p>Vice Chairman: Mr. Jose S. Gonzales</p> <p>Members:</p> <p>Mr. Exequiel D. Robles</p>
2. The Board nomination and election policy is disclosed in the company's Manual on Corporate Governance.	COMPLIANT	
3. The Board nomination and election policy includes how the company accepted nominations from shareholders/members.	COMPLIANT	
4. The Board nomination and election policy includes how the board reviews the qualifications of nominated candidates.	COMPLIANT	
5. The Board nomination and election policy includes an assessment of the effectiveness of the Board's processes in the nomination, election or replacement of a director.	COMPLIANT	
6. The Board has a process for identifying the quality of directors that is aligned with the strategic direction of the company.	COMPLIANT	

		Mr. Philip L. Go Mr. Henry Cua Loping	
<b>Recommendation 2.6</b>			
1. The Board has overall responsibility in ensuring that there is a policy and system governing related party transactions (RPTs) and other unusual or infrequently occurring transactions.	<b>COMPLIANT</b>	Under Section 3.7 (b)(vii) of the Manual, the Board shall “adopt a system of check and balance within the Board, conduct a regular review of the effectiveness of such system to ensure the integrity of the decision-making and reporting processes at all times, and a continuing review of the Club’s internal control system in order to maintain its adequacy and effectiveness. Under Section 3.7 (b)(x) of the Manual, the Board shall likewise “formulate and implement policies and procedures that will ensure the integrity and transparency of related party transactions between and among the Club 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.”	
2. The RPT policy includes appropriate review and approval of material RPTs, which guarantee fairness and transparency of the transactions.	<b>COMPLIANT</b>	Pursuant to Section 4.1 (b) (xviii) of the Manual, the Audit Committee shall, in the absence of a Related Party Transaction Committee, evaluate all RPTS to ensure that these are not undertaken on more favorable economic terms to such related parties than similar transactions with non-related parties under similar circumstances and that no corporate or business resources of the Club are misappropriated or misapplied.	

		The list of related transactions is contained on pages 26 to 27, Item 12, Part III of the Club's Annual Report.	
<b>Recommendation 2.7</b>			
1. The Board is primarily responsible for approving the selection of Management, led by the Chief Executive Officer (CEO) or his/her equivalent, and the heads of the other control functions (Chief Risk Officer, Chief Compliance Officer and Chief Audit Executive, as may be applicable).	<b>COMPLIANT</b>	<p>According to page 6 of the Club's Annual Report, "The Club has a well-informed Board of Directors that ensures the Club fulfills its corporate objectives, while seeking to protect the Club's general interests and create value for the benefit of all shareholders, through the formulation of significant policies for governance, risk management and control processes. The General Manager and Chief Operating Officer, on the other hand, oversees day-to-day operations, creates operational strategies, communicates the same to all employees, and ensures that everyone in the organization supports the corporate goals. As one, the Club's Management also ascertains that all programs are carefully managed and measured. To mitigate the risks, the Club's Management relies on budgets and financial forecasts."</p> <p>The Club's Management is composed of the following:</p> <ul style="list-style-type: none"> <li>(a) Mr. Vicente R. Santos as Chairman;</li> <li>(b) Mr. Tomas Julio A. Benitez as President &amp; Chief Executive Officer;</li> <li>(c) Mr. Henry Cua Loping as Treasurer;</li> <li>(d) Mr. Exequiel D. Robles as Corporate Secretary;</li> <li>(e) Ms. Mariza S. Tan as Compliance Officer and First Assistant Corporate Secretary; and</li> </ul>	

		(f) Mr. Jose Ernilo P. Famy as General Manager and Chief Operations Officer.	
2. The Board is primarily responsible for assessing the performance of Management led by the CEO and the heads of the other control functions (Chief Risk Officer, Chief Compliance Officer and Chief Audit Executive, as may be applicable).	<b>COMPLIANT</b>	Under Section 9 of the Manual, the Board may create an internal self-rating system that can measure the performance of the Board and of Management in accordance with the criteria provided for in this Manual.	
<b>Recommendation 2.8</b>			
1. The 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.	<b>COMPLIANT</b>	According to Section 11 of the Manual, the establishment of such evaluation system, including the features thereof, shall be disclosed in the annual report of the Club or in such form of report applicable to the Club. The adoption of such performance evaluation system shall be covered by Board approval.	
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.	<b>COMPLIANT</b>	The Manual shall refer to the framework of rules, systems and processes in the Club that governs the performance by the Board and Management of their respective duties and responsibilities to stockholders and other stakeholders, which include, among others, customers, employees, suppliers, financiers, government, and the community in which the Club operates.	

Recommendation 2.9			
1. The Board ensures that an appropriate internal control system is in place.	COMPLIANT	Under Section 3.7 (b) (vii) of the Manual, the Board shall adopt a system of check and balance within the Board, conduct a regular review of the effectiveness of such system to ensure the integrity of the decision-making and reporting processes at all times, and a continuing review of the Club's internal control system in order to maintain its adequacy and effectiveness.	
2. The internal control system includes a mechanism for monitoring and managing potential/actual conflicts of interest of the Board members/trustees, Management and shareholders/members.	COMPLIANT		
3. The Board adopts an Internal Audit Charter.	COMPLIANT	The Board approved the latest version of the Internal Audit Charter during the board meeting held on 20 June 2023. A copy of the Charter may be viewed at <a href="https://theorchardgolf.com/wp-content/uploads/2023/06/Internal-Audit-Revised-Charter.pdf">https://theorchardgolf.com/wp-content/uploads/2023/06/Internal-Audit-Revised-Charter.pdf</a>	
Recommendation 2.10			
1. The 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	Under Section 3.9 of the Manual, the Board is responsible for the internal control of the Club's control environment which consists of the organizational and procedural controls supported by effective management information and risk management reporting systems.	
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	In this connection, pursuant to Section 4.1 (b) (ii) of the Manual, the Audit Committee shall provide oversight over Management's activities in managing credit, market, liquidity, operational, legal and other risks of the Club. This function shall include regular receipt from the Management of information on risk exposure and risk management activities.	

Recommendation 2.11			
1. The Board has a Board Charter that formalizes and clearly states its roles, responsibilities and accountabilities in carrying out its fiduciary duties.	COMPLIANT	The Board approved the latest version of the Board Charter during the board meeting held on 20 June 2023. A copy of the Charter may be viewed at <a href="https://theorchardgolf.com/wp-content/uploads/2023/06/Board-Risk-Committee-Charter.pdf">https://theorchardgolf.com/wp-content/uploads/2023/06/Board-Risk-Committee-Charter.pdf</a>	
2. The Board Charter serves as a guide to the directors in the performance of their functions.	COMPLIANT		
3. The Board Charter is publicly available.	COMPLIANT		
Principle 3. ESTABLISHING BOARD COMMITTEES			
The 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 board committees should be contained in their respective committee charters.			
Recommendation 3.1			
1. The Board establishes board committees that focus on specific board functions to aid in the optimal performance of its roles and responsibilities.	COMPLIANT	<p>Pursuant to Section 1, Article VIII and Section 1, Article XII of the Club's By-laws, the Club has nine (9) standing committees, namely, Election Committee; Membership Committee; House Committee; Construction and Maintenance Committee; Finance Committee; Human Resources &amp; Development Committee; Sports &amp; Games Committee; Nomination Committee; Legal and Legislative Committee.</p> <p>In addition, Principle 3 and Recommendation 3.1 are embodied in Section 4 of the Manual, which specifies the Committees established by the Board and the</p>	

		<p>composition and duties and responsibilities of each of the Committees.</p> <p>Thus, the Club established the following Board Committees:</p> <ul style="list-style-type: none"> <li>(a) Audit Committee;</li> <li>(b) Corporate Governance Committee; and</li> <li>(c) Board Risk Committee.</li> </ul> <p>The Committees and their respective members were appointed by the Board during its meeting on 2 December 2024.</p>	
<b>Recommendation 3.2</b>			
<p>1. The 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.</p>	<p><b>COMPLIANT</b></p>	<p>Section 4.1 of the Manual sets out the composition and duties and responsibilities of the Audit Committee.</p> <p>Pursuant to Section 4.1(b)(i), the Audit Committee shall assess the integrity and independence of external auditors, to exercise effective oversight in reviewing and monitoring the external auditor's independence and objectivity and the effectiveness of the audit process, taking into consideration relevant Philippine professional and regulatory requirements, and to review and monitor the external auditor's suitability and effectiveness on an annual basis. The appointment, re-appointment and removal of the external auditor shall be recommended by the Audit Committee and approved by the Board and ratified by the shareholders.</p> <p>The latest version of the Audit Committee Charter may be viewed at <a href="https://theorchardgolf.com/wp-">https://theorchardgolf.com/wp-</a></p>	

		<a href="content/uploads/2023/06/Audit-Committee-Revised-Charter.pdf">content/uploads/2023/06/Audit-Committee-Revised-Charter.pdf</a>	
2. The Audit Committee is composed of at least three appropriately qualified non-executive directors, the majority of whom, including the Chairperson is an independent director.	<b>COMPLIANT</b>	The Chairman of the Audit Committee is Mr. Jose S. Gonzales, an independent director. The Vice-Chairman was Atty. Jose P. Crisostomo, Jr., and the third member is Ms. Maria Lourdes Valero. The Chairman was an independent director, and the members of the Audit Committee were non-executive directors.	The current members of the Audit Committee were appointed by the Board during its meeting on 2 December 2024. The former members of the Audit Committee in 2024 were identified on page 22 of the Definitive Information Statement of the Club.  The Board deems that the foregoing arrangement is effective, efficient and maximizes the resources of the Club.
3. All the members of the committee have relevant background, knowledge, skills, and/or experience in the areas of accounting, auditing and finance.	<b>COMPLIANT</b>	Under Section 4.1 (a) of the Manual, the Audit Committee shall consist of at least three (3) directors, who shall preferably have accounting and finance backgrounds, one of whom shall be an independent director and another with audit experience. The chairman of the Audit Committee shall be an independent director.	
4. The Chairperson of the Audit Committee is not the Chairman of the Board or of any other committee.	<b>COMPLIANT</b>	The Chairman of the Audit Committee is Mr. Jose S. Gonzales, Jr., who is not the Chairman of the Board.	However, Mr. Gonzales is also the chairman of the House Committee of the Club. His qualifications are set out in page 11 of the Definitive Information Statement.  His educational background, experience and long-time involvement in the Club's affairs renders him the best director to chair both the Audit and House Committees.

			The Board deems that the foregoing arrangement is effective, efficient and maximizes the resources of the Club.
<b>Recommendation 3.3</b>			
1. The 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.	<b>COMPLIANT</b>	<p>Under Section 4.2 (b) of the Manual, the Corporate Governance Committee is tasked to assist the Board in the performance of its corporate governance responsibilities, including the functions that were formerly assigned to the Compensation or Remuneration Committee. It is tasked with ensuring compliance with and proper observance of corporate governance principles and practices.</p> <p>The functions of the Corporate Governance Committee are set out in Section 4.2(c) of the Manual and the Corporate Governance Committee Charter which can be viewed at <a href="https://theorchardgolf.com/wp-content/uploads/2023/06/Revised-Manual-on-Corporate-Governance.pdf">https://theorchardgolf.com/wp-content/uploads/2023/06/Revised-Manual-on-Corporate-Governance.pdf</a></p>	
2. The Corporate Governance Committee is composed of at least three members, all of whom should be independent directors.	<b>NON-COMPLIANT</b>	<p>Section 1, Article II of the Corporate Governance Committee Charter states that “The Committee shall be composed of three (3) directors, majority of whom shall be independent directors of the Club, including the Chairman.</p> <p>The Committee is currently composed of the following, with an independent director as the Chairman:</p> <ol style="list-style-type: none"> <li>1. Mr. Jose Arturo M. Tugade,</li> <li>2. Ms. Mariza S. Tan,</li> <li>3. Atty. Jose P. Crisostomo, Jr., and</li> </ol>	The Board deems that it is more effective, efficient and maximizes the resources of the Club to appoint an independent director as Chairman of the Corporate Governance Committee. However, the Board does not find it necessary to appoint all three (3) independent directors to the committee.

		4. Atty. Megan M. Areño	
<b>Recommendation 3.4</b>			
1. The 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.	<b>COMPLIANT</b>	<p>The Charter of the Board Risk Oversight Committee may be found at <a href="https://theorchardgolf.com/wp-content/uploads/2024/06/BROC-Charter.pdf">https://theorchardgolf.com/wp-content/uploads/2024/06/BROC-Charter.pdf</a></p> <p>Section 1, Article 1 of its Charter states that “The purpose of the Club’s Board Risk Oversight Committee is to oversee the establishment of Enterprise Risk Management (ERM) framework that will effectively identify, assess, monitor, and manage key business risks.</p>	
2. The BROC is composed of at least three members, the majority of whom should be independent directors, including the Chairman.	<b>COMPLIANT</b>	<p>Section 1, Article II of the Committee’s Charter states that “The Committee shall be composed of at least three (3) members, the majority of whom should be independent directors, including the Chairman and who should not be the Chairman of the Board or of any other committee.”</p> <p>Prior to the Annual Shareholders’ Meeting and Election of Directors of the Club held on 12 October 2024, the members of the Committee were:</p> <ul style="list-style-type: none"> <li>(a) Mr. Philip Go,</li> <li>(b) Mr. Jose S. Gonzales,</li> <li>(c) Mr. Jose Arturo M. Tugade,</li> <li>(d) Mr. Alfredo B. Espino, and</li> <li>(e) Mr. Wilbert Young.</li> </ul>	
3. At least one member of the BROC has relevant thorough knowledge	<b>COMPLIANT</b>	Three (3) members of the BROC are independent directors, namely, Messrs. Go, Gonzales and	

and experience on risk and risk management.		Tugade. The BROCC is chaired by an independent director, Mr. Philip Go.	
<b>Recommendation 3.5</b>			
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.	<b>COMPLIANT</b>	Under Section 4.5 (b) of the Manual, unless already prescribed in the By-Laws, each standing committee shall have a Committee Charter stating in plain terms its purposes, memberships, structures, operations, reporting processes, resources and other relevant information. The Charters shall provide the standards for evaluating the performance of the committees and its members.	
2. The Committee Charters provide standards for evaluating the performance of the Committees.	<b>COMPLIANT</b>		
<b>Principle 4. FOSTERING COMMITMENT</b>			
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.			
<b>Recommendation 4.1</b>			
1. The Directors attend and actively participate in all meetings of the Board, Committees and shareholders in person or through tele-/videoconferencing conducted in accordance with the rules and regulations of the Commission.	<b>COMPLIANT</b>	Pursuant to Section 3.10(a) of the Manual, the members of the Board shall attend its regular and special meetings in person or through teleconferencing or videoconferencing conducted in accordance with the rules and regulations of the SEC.	
2. The Directors review meeting materials for all Board and Committee meetings.	<b>COMPLIANT</b>	The undersigned Corporate Secretary hereby attests that the directors review the relevant materials for all Board and Committee meetings.	

3. The Directors ask the necessary questions or seek clarifications and explanations during the Board and Committee meetings.	COMPLIANT	The undersigned Corporate Secretary hereby attests that the directors of the Club asked questions and sought clarifications and explanations in the course of the discussions during the Board and Committee meetings held in 2024.	
<b>Recommendation 4.2</b>			
1. Non-executive directors concurrently serve in not more than ten (10) public companies and/or registered issuers. If concurrently sitting in at last three (3) publicly listed companies, the maximum concurrent directorships shall be five (5) public companies and/or registered issuers.	COMPLIANT	All directors do not concurrently serve in more than five (5) publicly listed companies.	Under Section 3.2(a) of the Manual, the Board may consider the adoption of guidelines on the number of directorships that its members can hold in stock and non-stock corporations. The optimum number shall take into consideration the capacity of a director to diligently and efficiently perform his duties and responsibilities.
<b>Recommendation 4.3</b>			
1. The directors notify the company's board before accepting a directorship in another company.	COMPLIANT	Section 3.2(d) of the Manual states that a director shall notify the Board before accepting a directorship in another company.	
<b>Principle 5. REINFORCING BOARD INDEPENDENCE</b>			
The Board should endeavor to exercise an objective and independent judgment on all corporate affairs.			
<b>Recommendation 5.1</b>			
1. The Board is composed of a majority of non-executive directors who possess the necessary qualifications.	COMPLIANT	The Club's Board of Directors is composed of seven (7) members, including the Chairman, President and Treasurer of the Club.	
<b>Recommendation 5.2</b>			

<p>2. The Board has at least two (2) independent directors or such number as to constitute one-third (1/3) of the board, whichever is higher.</p>	<p><b>COMPLIANT</b></p>	<p>Principle 5 and Recommendation 5.2 are embodied in Section 3.1 (b) and 3.7 of the Manual.</p> <p>After the election of directors in the Annual Shareholders Meeting and Election of Directors on 12 October 2024, the Board currently has three (3) independent directors.</p> <p>The current composition of the Board allows for the exercise of an objective and independent judgment on all corporate affairs, considering that the members of the Board represent diverse backgrounds. Moreover, the extent of the relationship of the non-executive directors to the Club is limited to their respective qualifying shares in the Club.</p>	
<p><b>Recommendation 5.3</b></p>			
<p>1. The independent directors possess all the qualifications and none of the disqualifications to hold the positions.</p>	<p><b>COMPLIANT</b></p>	<p>The qualifications of an independent director are set out in Section 3.7 of the Manual.</p> <p>The academic qualifications and professional experience of the independent directors of the Club are set forth on pages 21 and 22 of the Annual Report.</p>	

Recommendation 5.4			
1. The company perpetually bars an independent director from serving in such capacity after the term limit of nine (9) years.	COMPLIANT	In accordance with SEC Memorandum Circular (“M.C”) No. 4, series of 2017, a company’s independent director shall serve as such for a maximum period of nine (9) years.	
2. 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	Section 3.4 (b) of the Manual provides that each independent director shall be qualified to be elected and hold office as such as may be prescribed by relevant laws, rules and regulations.	In the Annual Shareholders Meeting and Election of Directors of the Club, held on 12 October 2024, Messrs. Jose S. Gonzales, Philip L. Go and Jose Arturo M. Tugade were re-elected as independent directors of the Club, and none of the independent directors has served beyond the maximum period prescribed in SEC M.C. No. 4, series of 2017.
Recommendation 5.5			
1. The positions of Chairman of the Board and Chief Executive Officer are held by separate individuals.	COMPLIANT	According to Article IX Section 2 and 3 of the Club’s By-laws, the Chairman of the Board is different from the President and Chief Executive Officer of the Club.  The incumbent Chairman of the Club is Mr. Vicente R. Santos, and the President and Chief Executive Officer of the Club is Mr. Tomas Julio A. Benitez.	
2. The Chairman of the Board and Chief Executive Officer have clearly defined responsibilities.	COMPLIANT	In addition to Article IX Section 2 and 3 of the Club’s By-laws, Section 3.3 of the Manual clearly and distinctly defines the functions and responsibilities of the two roles. Specifically, Section 3.3 (a) of the Manual states that the roles of Chairman and CEO shall, as much as practicable, be separate to foster an appropriate balance of power, increased accountability and better capacity for independent decision-making by the Board. A clear delineation of	

		functions shall be made between the Chairman and CEO upon their election.	
<b>Recommendation 5.6</b>			
1. The Board designates a lead director among the independent directors if the Chairperson of the Board is not an independent director.	<b>COMPLIANT</b>	The Chairman of the Board of the Club is not an independent director.	Considering that there are only three (3) independent directors, the Board does not see the necessity of appointing a lead independent director. The Board equally values the contribution of all independent directors.
<b>Recommendation 5.7</b>			
1. The Directors/Trustees with material interest in a transaction affecting the corporation abstain from taking part in the deliberations on the transaction.	<b>COMPLIANT</b>	The Corporate Secretary hereby attests that there are no directors with a material interest in transactions affecting the Club and should there have been, the Club's policies require them to abstain from taking part in the deliberations for the same during the board meetings.	
<b>Recommendation 5.8</b>			
1. The non-executive directors (NEDs) have separate periodic meetings with the external auditor and heads of the internal audit, compliance and risk functions, without any executive present.	<b>COMPLIANT</b>	The Finance and Audit Committee members met with the auditors from Isla Lipana on March 25, 2025. This meeting was conducted to allow the Committees to thoroughly review, approve, and endorse the 2024 Audited Financial Statements (AFS) for presentation to the Board of Directors.  The Board Meeting was subsequently held on March 28, 2025, during which the Board formally discussed and approved the 2024 AFS.	
2. The meetings are chaired by the lead independent director, if applicable.	<b>COMPLIANT</b>	Meetings with the Club's external auditor were likewise attended by the Club's Audit Committee, chaired by independent director, Mr. Jose S. Gonzales.	

		After the Annual Shareholders Meeting and Election of Directors of the Club on 12 October 2024, Mr. Jose S. Gonzales, an independent director, was re-appointed by the Board as the Chairperson of the Audit Committee.	
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#### Principle 6. ASSESSING BOARD PERFORMANCE

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

##### Recommendation 6.1

1. Board conducts an annual self-assessment of its performance as a whole.	COMPLIANT	According to Section 8.4 of the Board Charter, the Board, in conducting the annual self-assessment, considers the following criteria:  (a) Fulfillment of key duties and responsibilities; (b) Quality of relationship with Management; (c) Effectiveness of processes and meetings of the Board and the Committees; and (d) Performance of individual members of the Board and the Committees.	
2. The Chairperson conducts an annual self-assessment of his performance.	COMPLIANT		
3. The individual members conduct a self-assessment of their performance.	COMPLIANT		
4. Each committee conducts a self-assessment of its performance.	COMPLIANT		

##### Recommendation 6.2

1. The Board has in place a system that provides, at the minimum, criteria and process to determine the performance of the Board, individual directors/trustees and committees.	COMPLIANT	Shareholders may send their feedback to the Club through the Customer Service Department and the Membership Department.	
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2. The system allows for a feedback mechanism from the shareholders/members.	COMPLIANT		
<b>Principle 7: STRENGTHENING BOARD ETHICS</b>			
The Board of Directors are duty-bound to apply high ethical standards, taking into account the interests of all stakeholders.			
<b>Recommendation 7.1</b>			
1. The 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	<p>The Board's Code of Conduct are laid out on Section 3.8 (b) of the Manual. The Club's Members Handbook is likewise uploaded in the Club's website at <a href="https://www.theorchardgolf.com/handbook/mobile/index.html">https://www.theorchardgolf.com/handbook/mobile/index.html</a></p> <p>The norms of conduct sets out the Club's policies with respect to conduct of business and fair dealings, prohibition against granting of undue personal favors, respect for trade secrets and confidential information, use of Club's funds and assets, among others.</p>	
2. The Code is properly disseminated to the members of the Board.	COMPLIANT	<p>The undersigned Compliance Officer hereby attests that the Code of Ethics was properly disseminated to all directors, senior management and employees. All employees of the Club are provided a copy of the Employee Handbook, and all shareholders and members may access the Members Handbook on the Club's website at <a href="https://www.theorchardgolf.com/handbook/mobile/index.html">https://www.theorchardgolf.com/handbook/mobile/index.html</a></p>	

		The acknowledgment states that the employees and members understood its contents and commits themselves to comply with the items contained therein, the core purpose and values sought to be achieved and the policies governing the Club's activities.	
3. The Code is disclosed and made available to the public through the company website.	COMPLIANT	All shareholders and members may access the Members Handbook on the Club's website at <a href="https://www.theorchardgolf.com/handbook/mobile/index.html">https://www.theorchardgolf.com/handbook/mobile/index.html</a>	
<b>Recommendation 7.2</b>			
1. The Board ensures the proper and efficient implementation and monitoring of compliance with the Code of Business Conduct and Ethics.	COMPLIANT	Pursuant to the Manual, the members of the Board are duty-bound to ensure a high standard of best practices for the Club, its stockholders and other stakeholders, the Board shall conduct itself with honesty and integrity in the performance of its duties and functions.	
<b>DISCLOSURE AND TRANSPARENCY</b>			
<b>Principle 8. ENHANCING COMPANY DISCLOSURE POLICIES AND PROCEDURES</b>			
The Board should establish corporate disclosure policies and procedures that are practical and in accordance with best practices and regulatory expectations.			
<b>Recommendation 8.1</b>			
1. The Board establishes corporate disclosure policies and procedures to ensure a comprehensive, accurate, reliable and timely report to shareholders/members and other stakeholders that gives a fair and complete picture of a company's financial condition, results and business operations.	COMPLIANT	Under Section 3.7(b)(vi) of the Manual, the Board shall provide full, fair, accurate and timely disclosure to the public of every material fact or event that occurs, particularly, on the acquisition or disposal of significant assets, which could adversely affect the viability or the interest of shareholders and other stakeholders.	

Recommendation 8.2			
1. The Company has a policy requiring all directors to disclose/report to the company any dealings in the company's shares within five (5) business days.	COMPLIANT	Under Section 10 of the Manual, the directors are obliged to report or disclose any dealings in the Club's shares by the said directors and officers within five (5) business days.	
2. The Company has a policy requiring all officers to disclose/report to the company any dealings in the company's shares within five (5) business days.	COMPLIANT		
Recommendation 8.3			
1. The company's corporate governance policies, programs and procedures are contained in its Manual on Corporate Governance (MCG).	COMPLIANT	The latest version of the Club's Revised Manual on Corporate Governance was adopted on 20 January 2022. The Board finds the Manual effective and does not require any revision or updates.	
2. The company's MCG is submitted to the SEC.	COMPLIANT	The Revised Manual on Corporate Governance dated 20 January 2022 was submitted and filed with the SEC via email on 28 January 2022.	
3. The company's MCG is posted on the company website.	COMPLIANT	The Revised Manual on Corporate Governance dated 20 January 2022 may be accessed at <a href="https://theorchardgolf.com/wp-content/uploads/2023/06/Revised-Manual-on-Corporate-Governance.pdf">https://theorchardgolf.com/wp-content/uploads/2023/06/Revised-Manual-on-Corporate-Governance.pdf</a>	

Recommendation 8.4			
1. The company's corporate governance policies and practices and all relevant information are disclosed in its Annual Corporate Governance Report (ACGR).	COMPLIANT	Article VII, Section 1 of the Club's By-laws states that "Directors shall receive no salaries from the Club as such, but shall be entitled to reasonable per diems for meeting(s) actually attended in an amount to be determined by the Board of Directors."  Section 3.11 of the Manual likewise provides for the Club's policies on the remuneration of officers.	
2. The company's ACGR is submitted to the SEC.	COMPLIANT	The ACGR of the Club for the year ended 31 December 2023 was filed and accepted via eFAST on 28 June 2024.	
3. The company's ACGR is posted on the company website.	COMPLIANT	The ACGR for the year ended 31 December 2023 of the Club may be accessed at <a href="https://theorchardgolf.com/wp-content/uploads/2025/06/Accepted.ACGR_Orchard.2024.06.28.pdf">https://theorchardgolf.com/wp-content/uploads/2025/06/Accepted.ACGR_Orchard.2024.06.28.pdf</a>	

#### Principle 9. STRENGTHENING EXTERNAL AUDITOR'S INDEPENDENCE AND IMPROVING AUDIT QUALITY

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. The Audit Committee has a robust process for approving and recommending the appointment, reappointment, removal, and fees of the external auditors.	COMPLIANT	Under Section 4.1(b)(iii) of the Manual, the Audit Committee shall perform oversight functions over the Club's internal and external auditors. It shall ensure that the internal and external auditors act independently from each other, and that both auditors are given unrestricted access to all records, properties and personnel to enable them to perform their respective audit functions.	
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<p>2. The appointment, reappointment, removal, and fees of the external auditor is recommended by the Audit Committee, approved by the Board and ratified by the shareholders/members.</p>	<p><b>COMPLIANT</b></p>	<p>During the Annual Shareholders' Meeting held on 12 October 2024, the following candidates for external auditor garnered the following votes:</p> <p>(a) Isla Lipana &amp; Co. (PWC) – 1,533 votes;</p> <p>(b) Punongbayan &amp; Araullo – five (5) votes;</p> <p>(c) Alas, Oplas &amp; Co., CPAs – four (4) votes;</p> <p>(d) R.G. Manabat &amp; Co. – two (2) votes;</p> <p>(e) Sycip Gorres Velayo &amp; Co. (SGV &amp; Co.) – thirty (30) votes; and</p> <p>(f) Twelve (12) members abstained.</p>	
<p>3. For removal of the external auditor, the reasons for removal or change are disclosed to the regulators and the public through the company website and required disclosures.</p>	<p><b>COMPLIANT</b></p>	<p>This is not applicable because the Club did not remove or change its external auditor in the preceding year.</p>	
<p><b>Recommendation 9.2</b></p>			
<p>1. The Audit Committee Charter includes the Audit Committee's responsibility on:</p> <p>i. assessing the integrity and independence of external auditors;</p> <p>ii. exercising effective oversight to review and monitor the external auditor's independence and objectivity; and</p> <p>iii. exercising effective oversight to review and monitor the</p>	<p><b>COMPLIANT</b></p>	<p>Section 4.1 (b)(i) to (v) of the Manual provides the Audit Committee's duties in connection with the external auditor:</p> <p>(i) Assist the Board in the performance of its oversight responsibility for the financial reporting process, system of internal control, audit process, and monitoring of compliance with applicable laws, rules and regulations, provided that, the Audit Committee Charter shall include the responsibility of the Audit Committee to assess the integrity and independence of external auditors, to exercise effective oversight in reviewing and monitoring the external auditor's</p>	

<p>effectiveness of the audit process, taking into consideration relevant Philippine professional and regulatory requirements.</p>		<p>independence and objectivity and the effectiveness of the audit process, taking into consideration relevant Philippine professional and regulatory requirements, and to review and monitor the external auditor's suitability and effectiveness on an annual basis;</p> <p>(ii) Provide oversight over Management's activities in managing credit, market, liquidity, operational, legal and other risks of the Club. This function shall include regular receipt from Management of information on risk exposures and risk management activities;</p> <p>(iii) Perform oversight functions over the Club's internal and external auditors. It shall ensure that the internal and external auditors act independently from each other, and that both auditors are given unrestricted access to all records, properties and personnel to enable them to perform their respective audit functions;</p> <p>(iv) Review the annual internal audit plan to ensure its conformity with the objectives of the Club. The plan shall include the audit scope, resources and budget necessary to implement it; and</p> <p>(v) Prior to the commencement of the audit, discuss with the external auditor the nature, scope and expenses of the audit, and ensure proper coordination if more than one audit firm is involved in the activity to secure proper coverage and minimize duplication of efforts.</p>	
<p>2. The Audit Committee Charter contains the Committee's</p>	<p><b>COMPLIANT</b></p>	<p>Same as above.</p>	

responsibility on reviewing and monitoring the external auditor's suitability and effectiveness on an annual basis.			
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Recommendation 9.3			
1. The 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	The Audit Committee is also tasked to 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 Club's overall consultancy expenses. The Audit Committee shall disallow any non-audit work that will conflict with the duties of the external auditor as such or may pose a threat to the external auditor's independence. The non-audit work, if allowed, shall be disclosed in the Club's annual report.	
2. The 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	Same as above.	
Principle 10. INCREASING FOCUS ON NON-FINANCIAL AND SUSTAINABILITY REPORTING			
The Board should ensure that the company discloses material and reportable non-financial and sustainability issues are disclosed.			
Recommendation 10.1			
1. The Board has a clear and focused policy on the disclosure of non-financial information.	COMPLIANT	Section 4 of Article IV of the Club's Amended By-laws provide for the order of business at the annual meeting, unless otherwise ordered by resolution of the shareholders present. The President of the Club reports the Club's financial and non-financial information to the stockholders.	

2. The company discloses to all shareholders/members and other stakeholders the company’s strategic and operational objectives with emphasis on the management of economic, environmental, social and governance (ESG) issues of its business, which underpin sustainability.	<b>COMPLIANT</b>	The President and CEO, as well as the General Manager, presented their respective reports in the Annual Stockholder’s Meeting (“ASM”) held on 12 October 2024. The draft Minutes for the 2024 ASM may be accessed at: <a href="https://theorchardgolf.com/wp-content/uploads/2025/06/2024-ASME-Minutes-of-the-Meeting.pdf">https://theorchardgolf.com/wp-content/uploads/2025/06/2024-ASME-Minutes-of-the-Meeting.pdf</a>	
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#### Principle 11. PROMOTING A COMPREHENSIVE AND COST-EFFICIENT ACCESS TO RELEVANT INFORMATION

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. The company has a website to ensure a comprehensive, cost-efficient, transparent and timely manner of disseminating relevant information to the public.	<b>COMPLIANT</b>	The Club’s website may be accessed at <a href="https://theorchardgolf.com">https://theorchardgolf.com</a>	
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#### INTERNAL CONTROL SYSTEM AND RISK MANAGEMENT FRAMEWORK

#### Principle 12. STRENGTHENING INTERNAL CONTROL AND RISK MANAGEMENT SYSTEM

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 system.

##### Recommendation 12.1

1. The Company has an adequate and effective internal control system in the conduct of its business.	<b>COMPLIANT</b>	Section, 1 Article VII of the Internal Audit Charter states that “The Internal Audit Department will maintain a quality assurance and improvement program that covers all aspects of the Internal	
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		<p>Audit Department. The program will include an evaluation of the Internal Audit Department's conformance with the Standards and an evaluation of whether the Internal Auditor applies The IIA's Code of Ethics. The program will also assess the efficiency and effectiveness of the Internal Audit Department and identify opportunities for improvement."</p>	
<p>2. The Company has an adequate and effective enterprise risk management framework in the conduct of its business.</p>	<p><b>COMPLIANT</b></p>	<p>Section, Article V of the Internal Audit Charter states, Internal audit assessments include evaluating whether:</p> <ul style="list-style-type: none"> <li>(a) Risks relating to the achievement of the Club's strategic objectives are appropriately identified and managed.</li> <li>(b) The actions of the Club's officers, directors, employees, and contractors are in compliance with the Club's policies, procedures, and applicable laws, regulations, and governance standards.</li> <li>(c) The results of operations or programs are consistent with established goals and objectives.</li> <li>(d) Operations or programs are being carried out effectively and efficiently.</li> <li>(e) Established processes and systems enable compliance with the policies, procedures, laws, and regulations that could significantly impact the Club.</li> </ul>	

		<p>(f) Information and the means used to identify, measure, analyze, classify, and report such</p> <p>(g) information are reliable and have integrity.</p> <p>(h) Resources and assets are acquired economically, used efficiently, and protected adequately.</p>	
<b>Recommendation 12.2</b>			
1. The 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.	<b>COMPLIANT</b>	The functions, duties and responsibilities of internal audit are performed in-house.	
<b>CULTIVATING A SYNERGIC RELATIONSHIP WITH SHAREHOLDERS</b>			
<b>Principle 13. PROMOTING SHAREHOLDER/MEMBER RIGHTS</b>			
The company should treat all shareholders/members fairly and equitably, and also recognize, protect and facilitate the exercise of their rights.			
<b>Recommendation 13.1</b>			
1. The Board ensures that basic shareholder/member rights are disclosed in the Manual on Corporate Governance.	<b>COMPLIANT</b>	Section 8 of the Manual provides for stockholders' rights and protection of minority stockholders' interests.	
<b>Recommendation 13.2</b>			
1. The 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.	<b>COMPLIANT</b>	The Definitive information Statement and Proxy Forms were sent out to the Club's security holders on 16 July 2024 or 88 days before the Annual Shareholders Meeting and Election of Directors held on 12 October 2024.	

		The notice and agenda of the 2024 Annual Shareholders Meeting is contained on pages 32 to 33 of the Club's Definitive Information Statement.	
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Recommendation 13.3			
1. The 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.	<b>COMPLIANT</b>	The results of the vote taken during the 2024 Annual Shareholders' Meeting of the Club was disclosed on the same day of the meeting or on 12 October 2024.	
2. The minutes of the Annual and Special Shareholders'/Members' Meetings were available on the company website within five business days from the end of the meeting.	<b>NON-COMPLIANT</b>	<p>Of the 3,000 shares issued and outstanding, 1,918 shares were present or represented and the voting results for the 2024 Annual Shareholders' Meeting are as follows:</p> <p>(a) Approval of the minutes of the 2023 Annual Shareholders' Meeting</p> <p>(b) Appointment of External Auditor</p> <p style="padding-left: 20px;">Isla Lipana &amp; Co. (PWC) – 1,533 votes;</p> <p style="padding-left: 20px;">Punongbayan &amp; Araullo – five (5) votes;</p> <p style="padding-left: 20px;">Alas, Oplas &amp; Co., CPAs – four (4) votes;</p> <p style="padding-left: 20px;">R.G. Manabat &amp; Co. – two (2) votes;</p> <p style="padding-left: 20px;">Sycip Gorres Velayo &amp; Co. (SGV &amp; Co.) – thirty (30) votes; and</p> <p style="padding-left: 20px;">Twelve (12) members abstained.</p> <p>(c) Ratification of Acts of Management and Resolutions of the Board of Directors</p> <p style="padding-left: 20px;">In favor: 1,700</p> <p>The undersigned Corporate Secretary hereby attests that voting on the resolutions was done by poll.</p> <p>As stated in the draft minutes of the 2024 Annual Shareholders' Meeting of the Club, there was an</p>	Although already prepared, the draft Minutes of the 2024 Annual Shareholders' Meeting of the Club is usually disclosed to the shareholders prior to the next annual meeting to refresh their memory of what had transpired before voting on its approval.

		opportunity for shareholders to ask questions to the Board of Directors. Some questions were answered by the General Manager, and some were answered by the Club's legal counsel.	
<b>Recommendation 13.4</b>			
1. The Board makes available, at the option of a shareholder/member, an alternative dispute mechanism to resolve intra-corporate disputes in an amicable and effective manner.	<b>COMPLIANT</b>	Section 3.7 (b)(xii) of the Manual states that the Board shall "establish and maintain an alternative dispute resolution system in the Club that can amicably settle conflicts or differences between the Club and its stockholders, and the Club and third parties, including the regulatory authorities.	
<b>Recommendation 13.5</b>			
1. The Board establishes an Investor Relations Office (IRO) or Customer Relations Office (CRO) to ensure constant engagement with its shareholders/members.	<b>COMPLIANT</b>	The applicable department in the Club is the Membership Department as it involves dealing with the Club's shareholders and members. The Membership Department of the Club is headed by Ms. Chiqui Bulaong.	
2. The IRO or CRO or its equivalent is present at every shareholder's/members' meeting.	<b>COMPLIANT</b>	The undersigned Corporate Secretary hereby attests that the Membership Department was present during the 2024 Annual Shareholders' Meeting of the Club on 12 October 2024.	
<b>DUTIES TO STAKEHOLDERS</b>			
<b>Principle 14. RESPECTING RIGHTS OF STAKEHOLDERS AND EFFECTIVE REDRESS FOR VIOLATION OF STAKEHOLDERS' RIGHTS</b>			
The rights of stakeholders established by law, by contractual relations and through voluntary commitments must be respected. Where stakeholders' rights and/or interests are at stake, stakeholders should have the opportunity to obtain prompt effective redress for the violation of their rights.			
<b>Recommendation 14.1</b>			
1. The Board identifies the company's various stakeholders and promotes cooperation between them and the	<b>COMPLIANT</b>	Section 2.1 of the Manual provides that, "for purposes of this Manual, "Corporate Governance" shall refer to the framework of rules, systems and	

company in creating wealth, growth and sustainability.		processes in the Club that governs the performance by the Board and Management of their respective duties and responsibilities to stockholders and other stakeholders, which include, among others, customers, employees, suppliers, financiers, government, and the community in which the Club operates.	
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#### Recommendation 14.2

1. The Board establishes clear policies and programs to provide a mechanism on the fair treatment and protection of stakeholders.	<b>COMPLIANT</b>	Section 3.7 (b) (v) of the Manual states that one of the duties and responsibilities of the Board is to “Identify the Club’s stakeholders in the community in which it operates, or are directly affected by its operations, and formulate a clear policy of accurate, timely and effective communication with them, establish clear policies and programs to provide a mechanism on the fair treatment and protection of stakeholders, and adopt a transparent framework and process that allow stakeholders to communicate with the Club and to obtain redress for violations of their rights.”	
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#### Principle 15. ENCOURAGING EMPLOYEES’ PARTICIPATION

A mechanism for employee participation should be developed to create a symbiotic environment consistent with the realization of the company’s objectives and good corporate governance goals.

#### Recommendation 15.1

1. The Board establishes policies, programs and procedures that encourage employees to actively participate in the realization of the company’s goals and in its governance.	<b>COMPLIANT</b>	One of the Club’s priorities is to develop each employee’s capability to perform. Thus, the Club uses an individual Development Plan, one of the pages to his or her Performance Scorecard Form wherein raters and ratees identify development needs and agree on how they can be addressed through training and coaching.	
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		<p>While section/department heads or supervisors have a significant influence over formal training, they have an even more substantial impact on creating a climate for informal employee development, which can take a wide variety of forms:</p> <ul style="list-style-type: none"> <li>• Feedback is a natural part of the monitoring process of performance management. Still, specific and timely feedback to staff about their performance against established expectations also provides the foundation for discussing developmental needs.</li> <li>• Job rotation and special assignments can stretch and challenge staff and broaden their understanding of the organization.</li> <li>• Coaching and counseling provide individualized advice and instruction.</li> <li>• Mentoring helps employees clarify career goals, understand the organization, analyze strengths and developmental needs, build support networks and deal with roadblocks.</li> <li>• Learning teams can form to meet regularly to focus on improving performance.</li> </ul> <p>Self-development includes various techniques, approaches, and demonstrations at other organizations.</p>	
<b>Recommendation 15.2</b>			
1. The Board sets the tone and makes a stand against corrupt practices by adopting an anti-corruption policy and program in its Code of Conduct.	<b>COMPLIANT</b>	<p>Part VIII of the Employee Handbook provides for the Club's Code of Discipline and Ethics.</p> <p>The Club believes that discipline is essential to the attainment of its objectives. The aim of disciplinary action is not merely intended to punish wrongful acts</p>	

		or omissions but to rectify and rehabilitate misconduct/misbehavior to improve said employees' attitude and values, thus improving performance. In promulgating the Code of Discipline and Ethics (CODE), the Club has moderated the implementation of penalties with fairness and consideration for the employee. It has balanced these rules and their corresponding penalties to achieve continued quality service and fulfill each employee's responsibilities. The Club, therefore, expects all its employees to observe/maintain a high standard of discipline in their daily attendance to their jobs and dealings with other employees.	
2. The Board disseminates the policy and program to employees across the organization through trainings to embed them in the company's culture.	<b>COMPLIANT</b>	The Employee Handbook and Code of Conduct are disseminated to all employees and personnel of the Club upon commencement of employment.	
<b>Recommendation 15.3</b>			
1. The Board establishes a suitable framework for whistleblowing that allows employees to freely communicate their concerns about illegal or unethical practices, without fear of retaliation	<b>COMPLIANT</b>	Part VII, Subsection E of the Club's Employee Handbook discusses incident reporting and management, which states "The Club is committed to ensuring a safe and secure environment for its members, guests, clients, staff, and contractors (partners). It is the policy of the Club to record all incidents that have resulted in harm or loss or have the potential to happen. Staff is to report these incidents to the appropriate person promptly. This Policy and Procedure on Incident Reporting and Management describe the Club's approach to recording, reporting, and managing incidents, clarifying the process for investigating incidents,	

		complaints, and claims, and promoting best practices based on lessons learned from the incidents.”	
2. The 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.	<b>NON-COMPLIANT</b>		The Club does not have a policy on whistleblowing inasmuch as it allows all employees to report incidents to the appropriate person promptly as provided in Part VII, Subsection E of the Club’s Employee Handbook.
3. The Board supervises and ensures the enforcement of the whistleblowing framework.	<b>NON-COMPLIANT</b>		Same as above.

#### Principle 16. ENCOURAGING SUSTAINABILITY AND SOCIAL RESPONSIBILITY

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. The 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.	<b>COMPLIANT</b>	<p>In line with its commitment to community service and environmental stewardship, the Club implemented the following social responsibility initiatives in 2024:</p> <ul style="list-style-type: none"> <li>▪ Ello Zagala River Clean-Up Drive Conducted in observance of World Water Day on March 23, 2024, and National Clean-Up Day on September 21, 2024, the Club organized river clean-up activities at the Ello Zagala River to promote environmental awareness and sustainability.</li> <li>▪ Medical Missions</li> </ul>	
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