



SEC FORM – I-ACGR

INTEGRATED ANNUAL CORPORATE GOVERNANCE REPORT

GENERAL INSTRUCTIONS

A. Use of Form I-ACGR

This SEC Form shall be used as a tool to disclose Publicly-Listed Companies' compliance/non-compliance with the recommendations provided under the Code of Corporate Governance for Publicly-Listed Companies, which follows the "comply or explain" approach, and for harmonizing the corporate governance reportorial requirements of the SEC and the Philippine Stock Exchange (PSE).

B. Preparation of Report

These general instructions are not to be filed with the report. The report shall contain the numbers and captions of all items.

The I-ACGR has four columns, arranged as follows:

RECOMMENDED CG PRACTICE/POLICY	COMPLIANT/ NON-COMPLIANT	ADDITIONAL INFORMATION	EXPLANATION
Contains CG Practices/ Policies, labelled as follows: (1) "Recommendations" – derived from the CG Code for PLCs; (2) "Supplement to Recommendation"– derived from the PSE CG Guidelines for Listed Companies; (3) "Additional Recommendations"–CG Practices not found in the CG Code for PLCs and PSE CG Guidelines but are expected already of PLCs; and (4) "Optional Recommendation"– practices taken from the ASEAN Corporate Governance Scorecard *Items under (1) – (3) must be answered/disclosed by the PLCs following the "comply or explain" approach. Answering of items under (4) are left to the discretion of PLCs.	The company shall indicate compliance or non-compliance with the recommended practice.	The company shall provide additional information to support their compliance with the recommended CG practice	The PLCs shall provide the explanations for any non-compliance, pursuant to the "comply or explain" approach. Please note that the explanation given should describe the non-compliance and include how the overall Principle being recommended is still being achieved by the company. *"Not Applicable" or "None" shall not be considered as sufficient explanation

C. Signature and Filing of the Report

- a. Three (3) copies of a fully accomplished I-ACGR shall be filed with the Main Office of the Commission **on or before May 30 of the following year for every year that the company remains listed in the PSE;**
- b. At least one (1) complete copy of the I-ACGR shall be duly notarized and shall bear **original and manual** signatures
- c. The I-ACGR shall be signed under oath by: (1) Chairman of the Board; (2) Chief Executive Officer or President; (3) All Independent Directors; (4) Compliance Officer; and (5) Corporate Secretary.
- d. The I-ACGR shall cover all relevant information from January to December of the given year.
- e. All reports shall comply with the full disclosure requirements of the Securities Regulation Code.



SEC FORM – I-ACGR

INTEGRATED ANNUAL CORPORATE GOVERNANCE REPORT

1. For the fiscal year ended 2022
2. SEC Identification Number 7199 3. BIR Tax Identification No. 002-856-627-000
4. Exact name of issuer as specified in its charter. ACESITE (PHILS.) HOTEL CORPORATION
5. Manila, Philippines
Province, Country or other jurisdiction of
incorporation or organization
6. (SEC Use Only)
Industry Classification Code:
7. 8th Floor Waterfront Manila Hotel and Casino, UN Ave., corner M. Orosa St., Ermita, Manila. 1000
Address of principal office Postal Code
8. (632) 8526-12-12/ 8231-10-73
Issuer's telephone number, including area code
9. _____
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	1. Please refer to the Corporation's Annual Report for the year 2022 (SEC 17A).	
2. Board has an appropriate mix of competence and expertise.	COMPLIANT		
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		

Recommendation 1.2

1. Board is composed of a majority of non-executive directors.	COMPLIANT	Please refer to the Corporation's Annual Report for the year 2022 (SEC 17A).	
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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	Please refer to the Corporation's New Manual on Corporate Governance as adopted by the Board of Directors on 25 May 2017.	
2. Company has an orientation program for first time directors.	COMPLIANT	Please refer to the Corporation's New Manual on Corporate Governance as adopted by the	

3. Company has relevant annual continuing training for all directors.	COMPLIANT	Board of Directors on 25 May 2017. of directors for the previous year, including the number of hours attended and topics covered.	
Recommendation 1.4			
1. Board has a policy on board diversity.	COMPLIANT	Please refer to the Corporation's New Manual on Corporate Governance as adopted by the Board of Directors on 25 May 2017. There are 2 female members in the Board.	
Optional: Recommendation 1.4			
1. Company has a policy on and discloses measurable objectives for implementing its board diversity and reports on progress in achieving its objectives.	NOT COMPLIANT	Provide information on or link/reference to a document containing the company's policy and measurable objectives for implementing board diversity. Provide link or reference to a progress report in achieving its objectives.	Policy for board diversity being formulated and currently under review.
Recommendation 1.5			
1. Board is assisted by a Corporate Secretary.	COMPLIANT	Please refer to the Corporation's Annual Report for the year 2022 (SEC 17A).	
2. Corporate Secretary is a separate individual from the Compliance Officer.	COMPLIANT		
3. Corporate Secretary is not a member of the Board of Directors.	COMPLIANT		
4. Corporate Secretary attends training/s on corporate governance.	COMPLIANT	Every year an in-house training for Corporate Governance. * Certificate of Attendance	
Optional: Recommendation 1.5			

1. Corporate Secretary distributes materials for board meetings at least five business days before scheduled meeting.	NOT COMPLIANT	Provide proof that corporate secretary distributed board meeting materials at least five business days before scheduled meeting.	Materials are distributed as needed, five day notice not practicable as some matters required immediate attention.
Recommendation 1.6			
1. Board is assisted by a Compliance Officer.	COMPLIANT	Please refer to the Corporation's Annual Report for the year 2022 (SEC 17A).	
2. Compliance Officer has a rank of Senior Vice President or an equivalent position with adequate stature and authority in the corporation.	COMPLIANT		
3. Compliance Officer is not a member of the board.	COMPLIANT		
4. Compliance Officer attends training/s on corporate governance.	COMPLIANT	Every year an in-house training for Corporate Governance. * Certificate of Attendance	
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			
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	Please refer to the Corporation's New Manual on Corporate Governance as adopted by the Board of Directors on 25 May 2017.	
Recommendation 2.2			
1. Board oversees the development, review and approval of the company's business objectives and strategy.	COMPLIANT	Please refer to the Corporation's New Manual on Corporate Governance as adopted by the Board of Directors on 25 May 2017.	
2. Board oversees and monitors the implementation of the company's business objectives and strategy.	COMPLIANT		
Supplement to Recommendation 2.2			

1. Board has a clearly defined and updated vision, mission and core values.	COMPLIANT	Please refer to the Corporation's New Manual on Corporate Governance as adopted by the Board of Directors on 25 May 2017.	
2. Board has a strategy execution process that facilitates effective management performance and is attuned to the company's business environment, and culture.	COMPLIANT	Please refer to the Corporation's New Manual on Corporate Governance as adopted by the Board of Directors on 25 May 2017.	
Recommendation 2.3			
1. Board is headed by a competent and qualified Chairperson.	COMPLIANT	Please refer to the Corporation's New Manual on Corporate Governance as adopted by the Board of Directors on 25 May 2017.	
Recommendation 2.4			
Board ensures and adopts an effective succession planning program for directors, key officers and management.	COMPLIANT	Please refer to the Corporation's New Manual on Corporate Governance as adopted by the Board of Directors on 25 May 2017. * The directors have no retirement plan.	
1. Board adopts a policy on the retirement for directors and key officers.	COMPLIANT		
Recommendation 2.5			
1. Board aligns the remuneration of key officers and board members with long-term interests of the company.	COMPLIANT	Please refer to the Corporation's New Manual on Corporate Governance as adopted by the Board of Directors on 25 May 2017.	
2. Board adopts a policy specifying the relationship between remuneration and performance.	COMPLIANT		
3. Directors do not participate in discussions or deliberations involving his/her own remuneration.	COMPLIANT		
Optional: Recommendation 2.5			
1. Board approves the remuneration of senior executives.	NOT COMPLIANT	Provide proof of board approval.	Policy being formulated and currently under review.

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.	NOT COMPLIANT	Provide information on or link/reference to a document containing measurable standards to align performance-based remuneration with the long-term interest of the company.	
Recommendation 2.6			
1. Board has a formal and transparent board nomination and election policy.	COMPLIANT	Please refer to the Corporation's New Manual on Corporate Governance as adopted by the Board of Directors on 25 May 2017. The Nomination Committee, composed of 3 voting directors (one is independent), is in charge of the screening of the candidates for a seat in the Board of Directors in accordance to the qualifications set in the Manual. Said Committee has also considered the disqualifications specifically enumerated. The Committee shall evaluate and screen nominees for director's vis-à-vis the applicable qualifications and disqualifications as set forth in the Company's Manual on Corporate Governance, By-Laws and other applicable policy, law or regulations while ensuring that said qualifications are in line with the strategic objectives of the Company.	
2. Board nomination and election policy is disclosed in the company's Manual on Corporate Governance.	COMPLIANT		
3. Board nomination and election policy includes how the company accepted nominations from minority shareholders.	COMPLIANT		
4. Board nomination and election policy includes how the board shortlists candidates.	COMPLIANT		
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		
6. Board has a process for identifying the quality of directors that is aligned with the strategic direction of the company.	COMPLIANT		
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.	COMPLIANT	The nominees approved by the Board are recommended for election as directors at the meeting of the stockholders or the Board, as the case may be. In the search of potential nominees, the Committee may use external sources, such as professional search firms, director databases and/or other reputable external sources to further enhance the search for and widen the base of potential nominees.	
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	Please refer to the Corporation's New Manual on Corporate Governance as adopted by the Board of Directors on 25 May 2017.	
2. RPT policy includes appropriate review and approval of material RPTs, which guarantee fairness and transparency of the transactions.	COMPLIANT		
3. RPT policy encompasses all entities within the group, taking into account their size, structure, risk profile and complexity of operations.	COMPLIANT		
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	The Board discreetly defines the threshold for disclosure and approval of RPTs. The Corporation fully discloses the total amount of Related-party transactions. Information on RPT categories are disclosed in the Audited FS of 2022, attached to SEC 17A.	
2. Board establishes a voting system whereby a majority of non-related party shareholders approve specific types of related party transactions during shareholders' meetings.	COMPLIANT	Please refer to the Corporation's New Manual on Corporate Governance as adopted by the Board of Directors on 25 May 2017.	
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	Please refer to the Corporation's New Manual on Corporate Governance as adopted by the Board of Directors on 25 May 2017. The Board approves the selection and assesses the performance of the Management led by the CEO, and control functions led by their respective heads functions (Chief Risk Officer, Chief Compliance Officer and Chief Audit Executive). In the absence of the Compliance Officer, the Corporate Secretary acts in behalf.	

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	Please refer to the Corporation's New Manual on Corporate Governance as adopted by the Board of Directors on 25 May 2017.	
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	Please refer to the Corporation's New Manual on Corporate Governance as adopted by the Board of Directors on 25 May 2017.	
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		
Recommendation 2.10			
Board oversees that an appropriate internal control system is in place.	COMPLIANT	Please refer to the Corporation's New Manual on Corporate Governance as adopted by the Board of Directors on 25 May 2017.	
1. The internal control system includes a mechanism for monitoring and managing potential conflict of interest of the Management, members and shareholders.	COMPLIANT		
2. Board approves the Internal Audit Charter.	COMPLIANT	Periodically reviews the internal audit charter and presents it to Senior Management and the Board Audit Committee for Approval.	
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	Please refer to the Corporation's New Manual on Corporate Governance as adopted by the Board of Directors on 25 May 2017.	

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		
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.	COMPLIANT	The BOD does have a Board Charter, since it currently follows the Corporation's New Manual on Corporate Governance and by-laws in the exercise of its duties and functions.	
2. Board Charter serves as a guide to the directors in the performance of their functions.	COMPLIANT		
3. Board Charter is publicly available and posted on the company's website.	COMPLIANT		
Additional Recommendation to Principle 2			
1. Board has a clear insider trading policy.	COMPLIANT	The Corporation currently does have an insider trading policy. However, under the Corporation's New Manual on Corporate Governance, every director shall ensure that it conducts fair business transactions with the Corporation, and ensure that his personal interest does not conflict with the interests of the Corporation. https://www.waterfronthotels.com.ph/wpi-company-policies/	
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.	COMPLIANT	The Corporation has a policy on Related Party Transactions.	

2. Company discloses the types of decision requiring board of directors' approval.	COMPLIANT	The Corporation has a policy on Related Party Transactions.	
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	Please refer to the Corporation's New Manual on Corporate Governance as adopted by the Board of Directors on 25 May 2017.	
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	Please refer to the Corporation's New Manual on Corporate Governance as adopted by the Board of Directors on 25 May 2017. The Audit Committee is responsible for recommending to the Board of Directors the appointment and/or removal of the Corporation's external auditor.	
2. Audit Committee is composed of at least three appropriately qualified non-executive directors, the majority of whom, including the Chairman is independent.	COMPLIANT	Please refer to the Corporation's Annual Report for the year 2022 (SEC 17A).	
3. All the members of the committee have relevant background, knowledge, skills, and/or experience in the areas of accounting, auditing and finance.	COMPLIANT	Please refer to the Corporation's Annual Report for the year 2022 (SEC 17A).	

4. The Chairman of the Audit Committee is not the Chairman of the Board or of any other committee.	COMPLIANT	Mr. Aristeo Cruz is the Chairperson of the Corporation's Audit Committee, while Mr. Arthur Lopez is the Chairman of the Board.	
Supplement to Recommendation 3.2			
1. Audit Committee approves all non-audit services conducted by the external auditor.	COMPLIANT	Please refer to the Corporation's Annual Report for the year 2022 (SEC 17A).	
2. Audit Committee conducts regular meetings and dialogues with the external audit team without anyone from management present.	COMPLIANT	Please refer to the Corporation's Annual Report for the year 2022 (SEC 17A).	
Optional: Recommendation 3.2			
1. Audit Committee meet at least four times during the year.	COMPLIANT	Please refer to the Corporation's Annual Report for the year 2022 (SEC 17A).	
2. Audit Committee approves the appointment and removal of the internal auditor.	COMPLIANT	Please refer to the Corporation's Annual Report for the year 2022 (SEC 17A).	
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.	COMPLIANT	Please refer to the Corporation's New Manual on Corporate Governance as adopted by the Board of Directors on 25 May 2017.	
2. Corporate Governance Committee is composed of at least three members, all of whom should be independent directors.	COMPLIANT	Please refer to the Corporation's New Manual on Corporate Governance as adopted by the Board of Directors on 25 May 2017.	

3. Chairman of the Corporate Governance Committee is an independent director.	COMPLIANT	Please refer to the Corporation's New Manual on Corporate Governance as adopted by the Board of Directors on 25 May 2017.	
Optional: Recommendation 3.3			
1. Corporate Governance Committee meet at least twice during the year.	NOT COMPLIANT	Indicate the number of Corporate Governance Committee meetings held during the year and provide proof thereof.	Corporate Governance Committee schedules meetings as deemed necessary by their chairman.
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.	COMPLIANT	Organizational meeting of the Board of Directors held last December 2, 2022. Election of officers and appointment has been taken place.	
2. BROC is composed of at least three members, the majority of whom should be independent directors, including the Chairman.	COMPLIANT	Organizational meeting of the Board of Directors held last December 2, 2022. Election of officers and appointment has been taken place.	
3. The Chairman of the BROC is not the Chairman of the Board or of any other committee.	COMPLIANT	Organizational meeting of the Board of Directors held last December 2, 2022. Election of officers and appointment has been taken place.	
4. At least one member of the BROC has relevant thorough knowledge and experience on risk and risk management.	COMPLIANT	Organizational meeting of the Board of Directors held last December 2, 2022. Election of officers and appointment has been taken place.	
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.	COMPLIANT	Organizational meeting of the Board of Directors held last December 2, 2022. Election of officers and appointment has been taken place.	

2. RPT Committee is composed of at least three non-executive directors, two of whom should be independent, including the Chairman.	COMPLIANT	Organizational meeting of the Board of Directors held last December 2, 2022. Election of officers and appointment has been taken place.	
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.	COMPLIANT	The BOD does have a Committee Charter, since it currently follows the Corporation's New Manual on Corporate Governance and by-laws in the exercise of its duties and functions.	
2. Committee Charters provide standards for evaluating the performance of the Committees.	COMPLIANT		
3. Committee Charters were fully disclosed on the company's website.	COMPLIANT	http://www.waterfronthotels.com.ph/acesite/	
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-/videoconferencing conducted in accordance with the rules and regulations of the Commission.	COMPLIANT	Please refer to the Corporation's Annual Report for the year 2022 (SEC 17A).; Minutes of the Meeting dated January 17, 21, 27, and 28; February 8, 10, and 16; March 24, 25, and 28; May 2, 12, and 23; June 22; August 3 and 19; September 9, 27, and 28; October 7; November 3 and 23; and December 6, 2022.	
2. The directors review meeting materials for all Board and Committee meetings.	COMPLIANT	*As part of its specific functions.	

3. The directors ask the necessary questions or seek clarifications and explanations during the Board and Committee meetings.	COMPLIANT	Please refer to the Corporation's Annual Report for the year 2022 (SEC 17A); Minutes of the Meeting dated January 17, 21, 27, and 28; February 8, 10, and 16; March 24, 25, and 28; May 2, 12, and 23; June 22; August 3 and 19; September 9, 27, and 28; October 7; November 3 and 23; and December 6, 2022.	
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	Please refer to the Corporation's New Manual on Corporate Governance as adopted by the Board of Directors on 25 May 2017. The Board may consider the adoption of guidelines on the number of directorships that its members can hold in other corporations to ensure diligent and efficient performance of their responsibilities to the Company.	
Recommendation 4.3			
1. The directors notify the company's board before accepting a directorship in another company.	COMPLIANT	Please refer to the Corporation's New Manual on Corporate Governance as adopted by the Board of Directors on 25 May 2017.	
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.	NOT COMPLIANT	*SEC 20IS Definitive	
2. Company schedules board of directors' meetings before the start of the financial year.	COMPLIANT	*SEC 20IS Definitive	

3. Board of directors meet at least six times during the year.	COMPLIANT	*SEC 201S Definitive	
4. Company requires as minimum quorum of at least 2/3 for board decisions.	COMPLIANT	*SEC 201S Definitive	
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 one-third of the board, whichever is higher.	COMPLIANT	Please refer to the Corporation's Annual Report for the year 2022 (SEC 17A).	
Recommendation 5.2			
1. The independent directors possess all the qualifications and none of the disqualifications to hold the positions.	COMPLIANT	Please refer to the Corporation's New Manual on Corporate Governance as adopted by the Board of Directors on 25 May 2017.	
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	Please refer to the Corporation's New Manual on Corporate Governance as adopted by the Board of Directors on 25 May 2017.	
Recommendation 5.3			
1. The independent directors serve for a cumulative term of nine years (reckoned from 2012).	COMPLIANT	Please refer to the Corporation's New Manual on Corporate Governance as adopted by the Board of Directors on 25 May 2017.	
2. The company bars an independent director from serving in such capacity after the term limit of nine years.	COMPLIANT	Please refer to the Corporation's New Manual on Corporate Governance as adopted by the Board of Directors on 25 May 2017.	

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	Please refer to the Corporation's New Manual on Corporate Governance as adopted by the Board of Directors on 25 May 2017.	
Recommendation 5.4			
1. The positions of Chairman of the Board and Chief Executive Officer are held by separate individuals.	COMPLIANT	Please refer to the Corporation's Annual Report for the year 2022 (SEC 17A).	
2. The Chairman of the Board and Chief Executive Officer have clearly defined responsibilities.	COMPLIANT	Please refer to the Corporation's New Manual on Corporate Governance as adopted by the Board of Directors on 25 May 2017.	
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.	COMPLIANT	Mr. Arthur Lopez is the Chairman of the Board and 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.	COMPLIANT	Please refer to the Corporation's New Manual on Corporate Governance as adopted by the Board of Directors on 25 May 2017.	
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.	NOT COMPLIANT	Provide proof and details of said meeting, if any. Provide information on the frequency and attendees of meetings.	The Corporation has put into place risk controls. Based on the assessment of the Board of Directors, full compliance with this recommendation is not necessary taking into account the size, structure, risk profile and complexity of operations of the Corporation.

2. The meetings are chaired by the lead independent director.	NOT COMPLIANT		The Corporation has put into place risk controls. Based on the assessment of the Board of Directors, full compliance with this recommendation is not necessary taking into account the size, structure, risk profile and complexity of operations of the Corporation.
Optional: Principle 5			
1. None of the directors is a former CEO of the company in the past 2 years.	COMPLIANT	CEO is Mr. Kenneth T. Gathchalian, concurrently a director.	
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.	COMPLIANT	The Board annually conducts a self-evaluation using a process approved by the Corporate Governance/Nominating Committee. The Audit, Corporate Governance/Nominating, Compensation/ Human Resources and Finance Committees are each required by their written charters to conduct annual self-evaluations.	
2. The Chairman conducts a 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		
5. Every three years, the assessments are supported by an external facilitator.	NOT COMPLIANT	Identify the external facilitator and provide proof of use of an external facilitator.	The Corporation currently does not have an external facilitator that conducts assessments every three years. The BOD is reviewing the said recommendation.
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.	COMPLIANT	Please refer to the Corporation's New Manual on Corporate Governance as adopted by the Board of Directors on 25 May 2017.	

2. The system allows for a feedback mechanism from the shareholders.	COMPLIANT		
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	Please refer to the Corporation's New Manual on Corporate Governance as adopted by the Board of Directors on 25 May 2017.	
2. The Code is properly disseminated to the Board, senior management and employees.	COMPLIANT	Please refer to the Corporation's New Manual on Corporate Governance as adopted by the Board of Directors on 25 May 2017.	
3. The Code is disclosed and made available to the public through the company website.	COMPLIANT	Please refer to the Corporation's New Manual on Corporate Governance as adopted by the Board of Directors on 25 May 2017.	
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.	COMPLIANT	Please refer to the Corporation's New Manual on Corporate Governance as adopted by the Board of Directors on 25 May 2017.	
Recommendation 7.2			
1. Board ensures the proper and efficient implementation and monitoring of compliance with the Code of Business Conduct and Ethics.	COMPLIANT	Please refer to the Corporation's New Manual on Corporate Governance as adopted by the Board of Directors on 25 May 2017.	
2. Board ensures the proper and efficient implementation and monitoring of compliance with company internal policies.	COMPLIANT		

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	Please refer to the Corporation's Annual Report for the year 2022 (SEC 17A).	
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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.	COMPLIANT	Please refer to the Corporation's Annual Report for the year 2022 (SEC 17A). and Quarterly Reports (SEC 17Q1, 17Q2, and 17Q3)	
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.	COMPLIANT	Please refer to the Corporation's Annual Report for the year 2022 (SEC 17A).	

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.	COMPLIANT	Please refer to the Corporation's New Manual on Corporate Governance as adopted by the Board of Directors on 25 May 2017.	
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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.	COMPLIANT		
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	Please refer to the Corporation's Annual Report for the year 2022 (SEC 17A).	
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	Please refer to the Corporation's Annual Report for the year 2022 (SEC 17A).	
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	Please refer to the Corporation's Annual Report for the year 2022 (SEC 17A).	
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.	COMPLIANT	Please refer to the Corporation's Annual Report for the year 2022 (SEC 17A).	

2. Company provides a clear disclosure of its policies and procedure for setting executive remuneration, including the level and mix of the same.	COMPLIANT	Please refer to the Corporation's Annual Report for the year 2022 (SEC 17A).	
3. Company discloses the remuneration on an individual basis, including termination and retirement provisions.	COMPLIANT	Please refer to the Corporation's Annual Report for the year 2022 (SEC 17A).	
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.	COMPLIANT	Please refer to the Corporation's Annual Report for the year 2022 (SEC 17A).	
2. Company discloses material or significant RPTs reviewed and approved during the year.	COMPLIANT	Please refer to the Corporation's Annual Report for the year 2022 (SEC 17A).	
Supplement to Recommendation 8.5			
1. Company requires directors to disclose their interests in transactions or any other conflict of interests.	COMPLIANT	Please refer to the Corporation's Annual Report for the year 2022 (SEC 17A).	
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.	COMPLIANT	Please refer to the Corporation's Annual Report for the year 2022 (SEC 17A).	
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	Please refer to the Corporation's Annual Report for the year 2022 (SEC 17A). and SEC Form 17C available at the Company's website.	

2. Board appoints an independent party to evaluate the fairness of the transaction price on the acquisition or disposal of assets.	COMPLIANT	The Board of Directors has previously engaged an independent real property appraiser in the determination of the value of the Corporation's building.	
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	Please refer to the Corporation's New Manual on Corporate Governance as adopted by the Board of Directors on 25 May 2017.	
Recommendation 8.7			
1. Company's corporate governance policies, programs and procedures are contained in its Manual on Corporate Governance (MCG).	COMPLIANT	Kindly refer to the link: http://www.waterfronthotels.com.ph/acesite/	
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	Kindly refer to the link: http://edge.pse.com.ph/openDiscViewer.do?edge_no=26227656d7abf5fc3318251c9257320d#sthash.krrdwW9p.dpbs	
Optional: Principle 8			
1. Does the company's Annual Report disclose the following information:	COMPLIANT	Please refer to the Corporation's Annual Report for the year 2022(SEC 17A).	
a. Corporate Objectives			
b. Financial performance indicators			
c. Non-financial performance indicators			
d. Dividend Policy			

e. Biographical details (at least age, academic qualifications, date of first appointment, relevant experience, and other directorships in listed companies) of all directors.		Kindly refer to the link: http://www.waterfronthotels.com.ph/acesite/	
f. Attendance details of each director in all directors meetings held during the year.			
g. Total remuneration of each member of the board of directors.			
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.	COMPLIANT	Please refer to the Corporation's Annual Report for the year 2022 (SEC 17A).	
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.	COMPLIANT	Please refer to the Corporation's Annual Report for the year 2022 (SEC 17A).	
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.	COMPLIANT	Please refer to the Corporation's Annual Report for the year 2022 (SEC 17A).	
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	Please refer to the Corporation's Annual Report for the year 2022 (SEC 17A).	
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	Please refer to the Corporation's New Manual on Corporate Governance as adopted by the Board of Directors on 25 May 2017.	
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.	COMPLIANT	Please refer to the Corporation's New Manual on Corporate Governance as adopted by the Board of Directors on 25 May 2017.	
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	Please refer to the Corporation's New Manual on Corporate Governance as adopted by the Board of Directors on 25 May 2017.	
Supplement to Recommendation 9.1			
1. Company has a policy of rotating the lead audit partner every five years.	COMPLIANT	Please refer to the Corporation's New Manual on Corporate Governance as adopted by the Board of Directors on 25 May 2017.	

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.	COMPLIANT	Please refer to the Corporation's New Manual on Corporate Governance as adopted by the Board of Directors on 25 May 2017.	
2. Audit Committee Charter contains the Committee's responsibility on reviewing and monitoring the external auditor's suitability and effectiveness on an annual basis.	COMPLIANT	Please refer to the Corporation's New Manual on Corporate Governance as adopted by the Board of Directors on 25 May 2017.	
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.	COMPLIANT	Please refer to the Corporation's New Manual on Corporate Governance as adopted by the Board of Directors on 25 May 2017.	
2. Audit Committee ensures that the external auditor has adequate quality control procedures.	COMPLIANT	Please refer to the Corporation's New Manual on Corporate Governance as adopted by the Board of Directors on 25 May 2017.	
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	Please refer to the Corporation's Annual Report for the year 2022 (SEC 17A).	
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	Please refer to the Corporation's Annual Report for the year 2022 (SEC 17A).	
Supplement to Recommendation 9.3			
1. Fees paid for non-audit services do not outweigh the fees paid for audit services.	COMPLIANT	Please refer to the Corporation's Annual Report for the year 2022 (SEC 17A).	
Additional Recommendation to Principle 9			
1. Company's external auditor is duly accredited by the SEC under Group A category.	COMPLIANT	The Corporation's current external auditor is R.G. Manabat & Co. Mr. Darwin P. Virocel is the handling partner assigned to the Corporation.	
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).	COMPLIANT	The external auditor, R.G. Manabat & Co., was not inspected in 2022 by the SOAR inspection team. However, they were inspected on July 2019 on selected engagements, details of which are part of the confidential information that is in the records on file of the SOAR.	
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.	COMPLIANT	Please refer to the Corporation's Annual Report for the year 2022 (SEC 17A).	

2. Company adopts a globally recognized standard/framework in reporting sustainability and non-financial issues.	COMPLIANT	Please refer to the Corporation's Annual Report for the year 2022 (SEC 17A).	
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	Kindly refer to the link: http://www.waterfronthotels.com.ph/acesite/	
Supplemental to Principle 11			
1. Company has a website disclosing up-to-date information on the following:		Kindly refer to the link: http://www.waterfronthotels.com.ph/acesite/	
a. Financial statements/reports (latest quarterly)	COMPLIANT		
b. Materials provided in briefings to analysts and media	COMPLIANT		
c. Downloadable annual report	COMPLIANT		
d. Notice of ASM and/or SSM	COMPLIANT		
e. Minutes of ASM and/or SSM	COMPLIANT		
f. Company's Articles of Incorporation and By-Laws	COMPLIANT		
Additional Recommendation to Principle 11			
1. Company complies with SEC-prescribed website template.	COMPLIANT	Kindly refer to the link: http://www.waterfronthotels.com.ph/acesite/	

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	The Corporation has established an internal audit system that can reasonably assure the Board, Management and stockholders that its key organizational and operational controls are faithfully complied with. The Board has appointed an Internal Auditor guided by the International Standards on Professional Practice of Internal Auditing.	
2. Company has an adequate and effective enterprise risk management framework in the conduct of its business.	COMPLIANT	Please refer to the Corporation's Definitive Information Statement for year 2017, the Corporation's New Manual on Corporate Governance, the Corporation's Annual Report for the year 2022.	

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	Please refer to the Corporation's Definitive Information Statement for year 2017, the Corporation's New Manual on Corporate Governance, and the Corporation's Annual Report for the year 2022.	
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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	IT cyber security is in place, with Mr. Patrick Basobas as the IT executive of the group.	
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 Board has internally appointed Ms. Aiza Pasayloon - Famador as the Chief Audit Executive.	
Recommendation 12.3			
1. Company has a qualified Chief Audit Executive (CAE) appointed by the Board.	COMPLIANT	The Board has internally appointed Ms. Aiza Pasayloon - Famador as the Chief Audit Executive.	
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	The Board has internally appointed Ms. Aiza Pasayloon - Famador as the Chief Audit Executive.	
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 Board has internally appointed Ms. Aiza Pasayloon - Famador as the Chief Audit Executive.	

Recommendation 12.4			
1. Company has a separate risk management function to identify, assess and monitor key risk exposures.	COMPLIANT	The Risk Management Committee has evaluated the transaction in accordance with certain norms, including investment risk, market liquidity, projected price-earnings ratio, net asset value and control ability, and has concluded that the investment is fair and reasonable at the acquisition price and volumes.	
Supplement to Recommendation 12.4			
1. Company seeks external technical support in risk management when such competence is not available internally.	COMPLIANT	The Corporation has Risk Management Committee.	
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	The Chief Risk Officer is Atty. Lamberto Mercado, Jr.	
2. CRO has adequate authority, stature, resources and support to fulfill his/her responsibilities.	COMPLIANT	SEC 17-A 2022, Item 9 Directors and Executive Officers of the Registrant	
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.	COMPLIANT	For report completion, a report was given to the Chief Executive Officer by the Audit Executive thru company's registered email.	
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	Kindly refer to the link: http://www.waterfronthotels.com.ph/acesite/	
2. Board ensures that basic shareholder rights are disclosed on the company's website.	COMPLIANT	Kindly refer to the link: http://www.waterfronthotels.com.ph/acesite/	
Supplement to Recommendation 13.1			
1. Company's common share has one vote for one share.	COMPLIANT	Kindly refer to the link: http://www.waterfronthotels.com.ph/acesite/	
2. Board ensures that all shareholders of the same class are treated equally with respect to voting rights, subscription rights and transfer rights.	COMPLIANT	Kindly refer to the link: http://www.waterfronthotels.com.ph/acesite/	
3. Board has an effective, secure, and efficient voting system.	COMPLIANT	Kindly refer to the link: http://www.waterfronthotels.com.ph/acesite/	
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.	COMPLIANT	Kindly refer to the link: http://www.waterfronthotels.com.ph/acesite/	
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.	COMPLIANT	Kindly refer to the link: http://www.waterfronthotels.com.ph/acesite/	
6. Board clearly articulates and enforces policies with respect to treatment of minority shareholders.	COMPLIANT	Kindly refer to the link: http://www.waterfronthotels.com.ph/acesite/	
7. Company has a transparent and specific dividend policy.	COMPLIANT	The Company has not issue dividends since the year 2000. However, it promises to declare dividends once the deficit is offset and the market for the coming years proper.	

Optional: Recommendation 13.1			
1. Company appoints an independent party to count and/or validate the votes at the Annual Shareholders' Meeting.	COMPLIANT	The voting can be done online with the company's website.	
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 has been sent out to the Stockholders' at least 28 days prior to the Shareholders' Annual Meeting. Distribution of notice of stockholders' meeting, definitive information statement, proxy form and management report which is at least fifteen (15) business days from the date of the annual stockholders' meeting (SRC Rule 20. 3, C , iv) and at least two (2) weeks prior to the annual stockholders' meeting (Art. II, Sec. 4, By-laws).	
Supplemental to Recommendation 13.2			
1. Company's Notice of Annual Stockholders' Meeting contains the following information:			
a. The profiles of directors (i.e., age, academic qualifications, date of first appointment, experience, and directorships in other listed companies)	COMPLIANT	Kindly refer to the link: http://www.waterfronthotels.com.ph/acesite/	
b. Auditors seeking appointment/re-appointment	COMPLIANT	SEC 20IS-Definitive contains all necessary information and references.	
c. Proxy documents	COMPLIANT	SEC 20IS-Definitive contains all necessary information and references.	

Optional: Recommendation 13.2

1. Company provides rationale for the agenda items for the annual stockholders meeting	COMPLIANT	The agenda during the Annual Stockholders held last December 2, 2022 are as follows: 1. Call to Order; 2. Certification of Notice and Quorum; 3. Approval of the Minutes of the Previous Stockholders' Meeting; 4. President's Report to the Stockholders for the Year 2021 and the approval of the Audited Financial Statements as of December 31, 2021; 5. Ratifications of the Acts of the Board and Management; 6. Election of the Board of Directors to Serve for the Term 2022-2023; 7. Appointment of External Auditor for the year 2022-2023; 8. Appointment of External Counsel for the year 2022-2023 and 9. Other matters; and 10. Adjournment.	
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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.	COMPLIANT	Kindly refer to the link: http://www.waterfronthotels.com.ph/acesite/	
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.	COMPLIANT	Kindly refer to the link: http://www.waterfronthotels.com.ph/acesite/	

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	Kindly refer to the link: http://www.waterfronthotels.com.ph/acesite Representatives of said firm are expected to be present at the stockholders' meeting, and they will have the opportunity to make a statement if they desire to do so and are expected to be available to respond to appropriate questions.	
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.	COMPLIANT	Please refer to the Corporation's New Manual on Corporate Governance as adopted by the Board of Directors on 25 May 2017.	
2. The alternative dispute mechanism is included in the company's Manual on Corporate Governance.	COMPLIANT	Please refer to the Corporation's New Manual on Corporate Governance as adopted by the Board of Directors on 25 May 2017. Kindly refer to the link: http://www.waterfronthotels.com.ph/acesite	
Recommendation 13.5			
1. Board establishes an Investor Relations Office (IRO) to ensure constant engagement with its shareholders.	COMPLIANT	Investor Relation Officer is Mr. Richard Ricardo.	
2. IRO is present at every shareholder's meeting.	COMPLIANT	Investor Relation Officer is Mr. Richard Ricardo has attended the ASM.	

Supplemental Recommendations to Principle 13			
1. Board avoids anti-takeover measures or similar devices that may entrench ineffective management or the existing controlling shareholder group	COMPLIANT	The Corporation adopts a one share, one vote policy. Thus, minority is adequately represented in shareholder actions. Please see the Corporation's by-laws and Manual on Corporate Governance.	
2. Company has at least thirty percent (30%) public float to increase liquidity in the market.	COMPLIANT	Company has more than thirty percent (30%) public float to increase liquidity in the market.	
Optional: Principle 13			
1. Company has policies and practices to encourage shareholders to engage with the company beyond the Annual Stockholders' Meeting	COMPLIANT	Sending notices and invitations to shareholders	
2. Company practices secure electronic voting in absentia at the Annual Shareholders' Meeting.	COMPLIANT	The company complies with the rules on teleconferencing for stockholders meetings and voting can be done with the company's website.	
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	Please refer to the Corporation's Annual Report for the year 2022 (SEC 17A).	

Recommendation 14.2			
1. Board establishes clear policies and programs to provide a mechanism on the fair treatment and protection of stakeholders.	COMPLIANT	Please refer to the Corporation's New Manual on Corporate Governance as adopted by the Board of Directors on 25 May 2017.	
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 rights.	COMPLIANT	The Corporation, through its Board of Directors, shall establish an alternative dispute resolution system that can amicably settle conflicts or differences between the Corporation and its stockholders, and the Corporation and third parties, including regulatory authorities.	
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.	COMPLIANT	Please refer to the Corporation's New Manual on Corporate Governance as adopted by the Board of Directors on 25 May 2017.	
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	Please refer to the Corporation's Annual Report for the year 2022 (SEC 17A).	
2. Company respects intellectual property rights.	COMPLIANT	Kindly refer to the link: http://www.waterfronthotels.com.ph/acesite/	
Optional: Principle 14			

1. Company discloses its policies and practices that address customers' welfare	COMPLIANT	Please refer to the Corporation's Annual Report for the year 2022 (SEC 17A).	
2. Company discloses its policies and practices that address supplier/contractor selection procedures	COMPLIANT	Please refer to the Corporation's Annual Report for the year 2022 (SEC 17A).	

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.	COMPLIANT	Please refer to the Corporation's Annual Report for the year 2022 (SEC 17A).	
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Supplement to Recommendation 15.1

1. Company has a reward/compensation policy that accounts for the performance of the company beyond short-term financial measures.	COMPLIANT	Please refer to the Corporation's Annual Report for the year 2022 (SEC 17A).	
2. Company has policies and practices on health, safety and welfare of its employees.	COMPLIANT	Please refer to the Corporation's New Manual on Corporate Governance as adopted by the Board of Directors on 25 May 2017.	
3. Company has policies and practices on training and development of its employees.	COMPLIANT	Please refer to the Corporation's New Manual on Corporate Governance as adopted by the Board of Directors on 25 May 2017.	

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.	COMPLIANT	Please refer to the Corporation's New Manual on Corporate Governance as adopted by the Board of Directors on 25 May 2017.	
2. Board disseminates the policy and program to employees across the organization through trainings to embed them in the company's culture.	COMPLIANT	Please refer to the Corporation's New Manual on Corporate Governance as adopted by the Board of Directors on 25 May 2017.	
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.	COMPLIANT	Please refer to the Corporation's New Manual on Corporate Governance as adopted by the Board of Directors on 25 May 2017.	
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	COMPLIANT	Please refer to the Corporation's New Manual on Corporate Governance as adopted by the Board of Directors on 25 May 2017.	
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.	COMPLIANT	Please refer to the Corporation's New Manual on Corporate Governance as adopted by the Board of Directors on 25 May 2017.	
3. Board supervises and ensures the enforcement of the whistleblowing framework.	COMPLIANT	Please refer to the Corporation's New Manual on Corporate Governance as adopted by the Board of Directors on 25 May 2017.	

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	Please refer to the Corporation's New Manual on Corporate Governance as adopted by the Board of Directors on 25 May 2017.	
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Optional: Principle 16

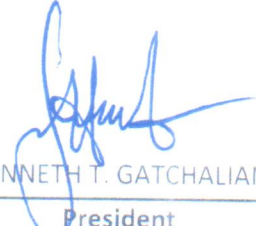
1. Company ensures that its value chain is environmentally friendly or is consistent with promoting sustainable development	COMPLIANT	Please refer to the Corporation's Annual Report for the year 2022 (SEC 17A).	
2. Company exerts effort to interact positively with the communities in which it operates	COMPLIANT	Please refer to the Corporation's Annual Report for the year 2022 (SEC 17A).	

Pursuant to the requirement of the Securities and Exchange Commission, this Annual Corporate Governance Report is signed on behalf of the registrant by the undersigned; thereunto duly authorized, in the City of CITY OF MANILA on MAY 31 2023, 2023.

SIGNATURES


ARTHUR M. LOPEZ

Chairman of the Board


KENNETH T. GATCHALIAN

President


RENATO C. FRANCISCO

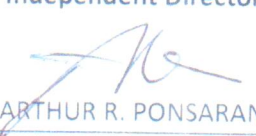
Independent Director


NOEL M. CARIÑO

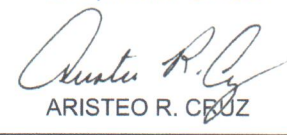
Independent Director


RICHARD RICARDO

Compliance Officer


ARTHUR R. PONSARAN

Corporate Secretary


ARISTEO R. CRUZ

Independent Director

SUBSCRIBED AND SWORN to before me this _____ day of MAY 31 2023, 2023, affiant(s) exhibiting to me their _____, as follows:

NAME/NO.

TIN ID

Arthur M. Lopez	181-980-515
Kenneth T. Gatchalian	167-406-526
Noel M. Cariño	106-809-774
Renato C. Francisco	138-641-391
Arthur R. Ponsaran	127-640-176
Richard Ricardo	140-853-860
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ATTY. GILBERTO B. PASIMANERO

Notary Public until December 31, 2023

Notarial Commission 2022 - 052

IBP# 105727; Pasig for yr. 2023

PTR# 0801164; MIA - 1-3-2023

Roll # 25473; TIN# 103-098-346

MCLE Exempt. No. VII-NP004370 'til 4-14-2025