

# COVER SHEET

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S.E.C. Registration Number

V A L L E Y G O L F & C O U N T R Y

C L U B , I N C .

(Company's Full Name)

D O N C E L S O S . T U A S O N A V E .

B A R A N G A Y M U N T I N D I L A W

A N T I P O L O C I T Y

(Business Address: No. Street/City/Province)

ROSANNA R. ARGUELLES

Contact Person

8658-4901

Company Telephone Number

0 6

Month

3 0

Day

Fiscal Year

AMENDED MANUAL OF CORPORATE GOVERNANCE

FORM TYPE

09 4<sup>th</sup> Sunday

Month Day

Annual Meeting

Secondary License Type, If Applicable

C G F D

Dept. Requiring this Doc.

Amended Articles Number/Section

1,594

Total No. of Stockholders

Owning at Least One Board Lot

Total Amount of Borrowings

Domestic

Foreign

To be accomplished by SEC Personnel concerned

File Number

\_\_\_\_\_

LCU

Document I.D.

\_\_\_\_\_

Cashier

STAMPS

Remarks = pls. Use black ink for scanning purposes

# VALLEY GOLF &

# COUNTRY CLUB, INC.

ANTIPOLO CITY, PHILIPPINES  
P.O. BOX 202 Q, PLAZA, CAINTA  
TELS. 658-4901 TO 03, 658-4919 TO 20  
FAX NO. 658-4918

September 18, 2020

**SECURITIES AND EXCHANGE COMMISSION**

Secretariat Building, PICC Complex  
Roxas Boulevard, Pasay City

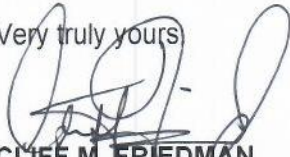
Attention : Corporate Governance and Finance Department

Re : Valley Golf & Country Club, Inc.  
SEC Registration No. 13951  
Amended Manual of Corporate Governance

Gentlemen:

We are submitting the Amended Manual of Corporate Governance of Valley Golf & Country Club, Inc. that was approved by the Board of Directors on July 22, 2020.

Very truly yours,



**CLIFF M. FRIEDMAN**  
General Manager/Compliance Officer

**CERTIFICATION**

I, **CLIFF M. FRIEDMAN, General Manager/Compliance Officer** is a duly authorized representative of **VALLEY GOLF & COUNTRY CLUB, INC** with SEC registration number 13951 with principal office at Don Celso Tuason Avenue, Victoria Valley, Antipolo City, do hereby certify and state that:

1) The information contained in the **MANUAL OF CORPORATE GOVERNANCE** submitted online on September 25, 2020 is true and correct to the best of my knowledge.

2) I am fully aware that any inconsistencies in the information contained in the hard/physical copy as compared to the one sent via email, shall invalidate the reports, applications, compliance, requests and other documents submitted via email. Hence, the corresponding penalties under existing rules and regulations of the Commission shall apply without prejudice to the imposition of penalties under Section 54 of the Securities Regulation Code and other applicable existing rules and regulations for failure to comply with the orders of the Commission.


3) I am executing this certification on September 25, 2020 to attest to the truthfulness of the foregoing facts and for whatever legal purpose it may serve.



**CLIFF M. FRIEDMAN**  
General Manager/Compliance Officer  
TIN # 205-657-276-000

**SUBSCRIBED AND SWORN** to before me this SEP 25 2020 day of \_\_\_\_\_.

DOI NO 468  
PAGE NO 94  
BOOK NO IX  
SERIES OF 2020

  
**ANDREW V. FERRER**  
NOTARY PUBLIC UNTIL DEC. 31, 2021  
PTR NO. 13760078A; 01/02/20  
IBP OR NO. 089176; 01/02/20  
Rizal Chapter / MCLE Compliance  
No. VI-0028918, October 4, 2019  
Roll No. 39811 / Appointment No. 20-25  
No. 9 A. Bonifacio Ave., Cainta Rizal

## Certification

I CLIFF M. FRIEDMAN, General Manager/Compliance Officer of VALLEY GOLF & COUNTRY CLUB, INC. with SEC registration number 13951 with principal office at Don Celso S. Tuason Victoria Valley Antipolo City, on oath state:

1. That on behalf of Valley Golf & Country Club, Inc., I have caused this **Manual of Corporate Governance** to be prepared;
2. That I read and understood its contents which are true and correct of my own personal knowledge and/or based on true records;
3. That the company Valley Golf & Country Club, Inc. will comply with the requirements set forth in SEC Notice dated June 24, 2020 for a complete and official submission of reports and/or documents through electronic mail; and
4. That I am fully aware that documents filed online which requires pre-evaluation and/or processing fee shall be considered complete and officially received only upon payment of a filing fee.

SEP 25 2020

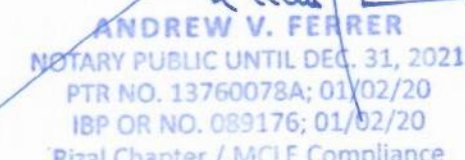
IN WITNESS WHEREOF, I have hereunto set my hand this \_\_\_\_\_ day of \_\_\_\_\_

  
CLIFF M. FRIEDMAN  
Affiant

SEP 25 2020

SUBSCRIBED AND SWORN to before me this \_\_\_\_\_ day of \_\_\_\_\_



  
ANDREW V. FERRER  
NOTARY PUBLIC UNTIL DEC. 31, 2021  
PTR NO. 13760078A; 01/02/20  
IBP OR NO. 089176; 01/02/20  
Rizal Chapter / MCLE Compliance  
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No. 9 A. Bonifacio Ave., Cainta Rizal



**MANUAL OF  
CORPORATE GOVERNANCE**

**VALLEY GOLF & COUNTRY CLUB, INC.**

Approved by  
the Board of Directors  
on

22 JULY 2020

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**MANUAL ON CORPORATE GOVERNANCE**  
**VALLEY GOLF & COUNTRY CLUB, INC.**

The Board of Directors and Management, Officers and Staff, of Valley Golf & Country Club, Inc. ("Valley Golf") hereby commit themselves to the principles and best practices contained in this Manual, and acknowledge that the same may guide the attainment of our corporate goals.

**I. OBJECTIVE**

This Manual shall institutionalize the principles of good corporate governance in the entire organization.

The Board of Directors and Management, employees and shareholders, believe that corporate governance is a necessary component of what constitutes sound strategic business management and will therefore undertake every effort necessary to create awareness within the organization as soon as possible.

**II. THE BOARD'S GOVERNANCE RESPONSIBILITIES**

**1. ESTABLISHING A COMPETENT BOARD**

*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.*

**A. Composition of the Board**

The Board shall be composed of directors with a collective working knowledge, experience or expertise that is relevant to the Valley Golf's industry/sector. The Board shall always ensure that it has an appropriate mix of competence and expertise and that its members remain qualified for their positions individually and collectively, to enable it to fulfill its roles and responsibilities and respond to the needs of the organization based on the evolving business environment and strategic direction.



The Board shall be composed of nine (9) directors who are elected by the stockholders.

The Board shall have at least two (2) Independent Directors, constituting twenty percent (20%) of the total number of the members of the Board.

The membership of the Board may be combination of executive and non-executive directors (which include independent directors) in order that no director or small group of directors can dominate the decision making process.

The non-executive directors should possess such qualifications and stature that would enable them to effectively participate in the deliberation of the Board.

#### **1. Duties and Responsibilities of a Director**

A director shall have the following duties and responsibilities:

- a. To conduct fair business transactions with Valley Golf and to ensure that personal interest does not bias Board decisions;
- b. To devote time and attention necessary to properly discharge his duties and responsibilities;
- c. To act judiciously;
- d. To exercise independent judgment;
- e. To have a working knowledge of the statutory and regulatory requirements affecting Valley Golf, including the contents of its Articles of Incorporation and By-Laws, the requirements of the Commission, and where applicable, the requirements of other regulatory agencies.
- f. To observe confidentiality;
- g. To ensure the continuing soundness, effectiveness and adequacy of Valley Golf's control environment.

## **2. Qualifications and Disqualifications of a Director**

The directors shall possess the necessary qualifications and none of the disqualifications to hold the position, as follows:

### **Qualifications**

- a. Must have at least one (1) share recorded in his name during his term of office.
- b. He shall be at least a college graduate or have sufficient experience in managing the business to substitute for such formal education.
- c. He shall be at least twenty one (21) years old.
- d. An active Proprietary member of good standing.
- e. Must be willing to solicit proxies.
- f. Must have sufficient time to share his/her professional and executive expertise.
- g. Said member has no official record of grave misconduct.
- h. He shall have proven to possess integrity and probity.
- i. He shall be assiduous.

### **Disqualifications**

#### **1. Permanent Disqualification**

The following persons shall be permanently disqualified from being elected/appointed or holding the position of a director:

- a. Any person convicted by final judgment or order by a competent judicial or administrative body of any crime that (a) involves the purchase or sale of securities, as defined in the Securities Regulation Code; (b) arises out of the person's

conduct as an underwriter, broker, dealer, investment adviser, principal, distributor, mutual fund dealer, futures commission merchant, commodity trading advisor, or floor broker; or (c) arises out of his fiduciary relationship with a bank, quasi-bank, trust company, investment house or as an affiliated person of any of them;

- b. Any person who, by reason of misconduct, after hearing, is permanently enjoined by a final judgment or order of the Commission or any court or administrative body of competent jurisdiction from: (a) acting as underwriter, broker, dealer, investment adviser, principal distributor, mutual fund dealer, futures commission merchant, commodity trading advisor, or floor broker; (b) acting as director or officer of a bank, quasi-bank, trust company, investment house, or investment company; (c) engaging in or continuing any conduct or practice in any of the capacities mentioned in sub-paragraphs (a) and (b) above, or willfully violating the laws that govern securities and banking activities.
- c. The disqualification shall also apply if such person is currently the subject of an order of the Commission or any court or administrative body denying, revoking or suspending any registration, license or permit issued to him under the Corporate Code, Securities Regulation Code or any other law administered by the Commission or Bangko Sentral ng Pilipinas (BSP), or under any rule or regulation issued by the Commission or BSP, or has otherwise been restrained to engage in any activity involving securities and banking; or such person is currently the subject of an effective order of a self-regulatory organization suspending or expelling him from membership, participation or association with a member or participant of the organization;

- d. Any person convicted by final judgment or order by a court or competent administrative body of an offense involving moral turpitude, fraud, embezzlement, theft, estafa, counterfeiting, misappropriation, forgery, bribery, false affirmation, perjury or other fraudulent acts;
- e. Any person who has been adjudged by final judgment or order of the Commission, court, or competent administrative body to have willfully violated, or willfully aided, abetted, counseled, induced or procured the violation of any provision of the Corporate Code, Securities Regulation Code or any other law administered by the Commission or BSP, or any of its rule, regulation or order;
- f. Any person earlier elected as independent director who becomes an officer, employee or consultant of the same corporation;
- g. Any person judicially declared as insolvent;
- h. Any person found guilty by final judgment or order of a foreign court or equivalent financial regulatory authority of acts, violations or misconduct similar to any of the acts, violations or misconduct enumerated in sub-paragraphs (a) to (e) above;
- i. Any person convicted by final judgment of an offense punishable by imprisonment for more than six (6) years, or a violation of the Corporation Code committed within five (5) years prior to the date of his election or appointment.

## **2. Temporary Disqualification**

The Board may provide for the temporary disqualification of a director for any of the following reasons:

- a. Refusal to comply with the disclosure requirements of the Securities Regulation Code and its Implementing Rules and Regulations. The disqualification shall be in effect as long as the refusal persists.
- b. Absence in more than fifty (50) percent of all regular and special meetings of the Board during his incumbency, or any twelve (12) month period during the said incumbency, unless the absence is due to illness, death in the immediate family or serious accident. The disqualification shall apply for purposes of the succeeding election.
- c. Dismissal or termination for cause as director of any corporation covered by this Code. The disqualification shall be in effect until he has cleared himself from any involvement in the cause that gave rise to his dismissal or termination.
- d. If the beneficial equity ownership of an independent director in the corporation or its subsidiaries and affiliates exceeds two percent of its subscribed capital stock. The disqualification shall be lifted if the limit is later complied with.
- e. If any of the judgments or orders cited in the grounds for permanent disqualification has not yet become final.
- f. If the independent director becomes an officer or employee of the same corporation he shall be automatically disqualified from being an independent director;

A temporary disqualified director shall, within sixty (60) business days from such disqualification, take the appropriate action to remedy or correct the disqualification. If he fails or refuses to do so for

unjustified reasons, the disqualification shall become permanent.

**B. Training**

It is the policy of Valley Golf to provide relevant training to its Directors, including an orientation program for first-time directors and relevant annual continuing training for all directors. Such orientation and continuing training programs, which may be conducted by SEC-accredited training providers, aim to promote effective board performance and continuing qualification of the directors in carrying out their duties and responsibilities.

**C. Board Diversity**

Valley Golf embraces diversity and recognizes the benefits it brings to the organization. In observing a policy on board diversity, the company aims to avoid groupthink and ensure that optimal decision-making is achieved. In designing the Board's composition, Board diversity shall be considered from a number of aspects, including but not limited to gender, age, ethnicity, cultural and educational background, professional experience, skills, knowledge and length of service. All Board appointments will be based on meritocracy, and candidates will be considered against objective criteria, having due regard for the benefits diversity brings to the Board and the organization.

**D. Corporate Secretary**

The Board shall ensure that it is assisted in its duties by a Corporate Secretary, who should be a separate individual from the Compliance Officer. The Corporate Secretary shall not be a member of the Board of Directors and should annually attend a training on corporate governance.

The Corporate Secretary is primarily responsible to the corporation and its shareholders/members, and not to the Chairperson or President of the company and has, among others, the following duties and responsibilities:

- a. Assists the Board and the Board committees in the conduct of their meetings (i.e. agenda setting, preparation of annual schedule of meetings and board calendar);
- b. Safekeeps and preserves the integrity of the minutes of the meetings of the Board, Board committees and shareholders/members, as well as other official records of the corporation;
- c. Keeps abreast of relevant laws, regulations, all governance issuances, industry developments and operations of the corporation, and advises the Board and the Chairperson on all relevant issues as they arise;
- d. Works fairly and objectively with the Board, Management and shareholders/members and contributes to the flow of information between the Board and Management, the Board and its committees, and the Board and its shareholders/members as well as other stakeholders;
- e. Advises on the establishment of board committees and their terms of reference;
- f. Informs members of the Board, in accordance with the by-laws, of the agenda of their meetings at least five (5) working days before the date of the meeting, and ensures that the members have before them accurate information that will enable them to arrive at intelligent decisions on matters that require their approval;
- g. Attends all Board meetings, except when justifiable causes, such as illness, death in the immediate family and serious accidents, prevent him from doing so;
- h. Performs all required administrative functions;
- i. Oversees the drafting of the by-laws and ensures that they conform with regulatory requirements; and
- j. Performs such other duties and responsibilities as may be provided by the Board and the Commission.

**E. Compliance Officer**

The Board shall ensure that it is assisted in its duties by a Compliance Officer, who shall have a rank of Manager or an equivalent position with adequate stature and authority in the corporation. The Compliance Officer shall not be a member of the Board of Directors and should annually attend a training on corporate governance.

The Compliance Officer is a member of the company's Management team in charge of the compliance function. Similar to the Corporate Secretary, he is primarily liable to the corporation and its shareholders/members, and not to the Chairperson or President of the company. He has, among others, the following duties and responsibilities:

- a. Ensures proper onboarding of new directors (i.e., orientation on the company's business, charter, articles of incorporation and by-laws, among others];
- b. Monitors, reviews, evaluates and ensures the compliance by the corporation, its officers and directors with the relevant laws, this Code, rules and regulations and all governance issuances of regulatory agencies;
- c. Reports to the Board if violations are found and recommends the imposition of appropriate disciplinary action;
- d. Ensures the integrity and accuracy of all documentary and electronic submissions as may be allowed under SEC rules and regulations;
- e. Appears before the SEC when summoned in relation to compliance with this Code and other relevant rules and regulations;
- f. Collaborates with other departments within the company to properly address compliance issues, which may be subject to investigation;
- g. Identifies possible areas of compliance issues and works towards the resolution of the same;
- h. Ensures the attendance of board members and key officers to relevant trainings; and



- i. Performs such other duties and responsibilities as may be provided by the Board and SEC.

## **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.*

### **A. General Responsibility**

A director's office is one of trust and confidence. He shall act in a manner characterized by transparency, accountability and fairness.

Compliance with the principles of good corporate governance shall start with the Board of Directors.

It shall be the Board's responsibility to foster the long-term success of Valley Golf and secure its sustained competitiveness in a manner consistent with its fiduciary responsibility, which it shall exercise in the best interest of the company, its shareholders and other stakeholders. The Board shall conduct itself with utmost honesty and integrity in the discharge of its duties, functions and responsibilities.

The Board shall formulate the Corporation's vision, mission, strategic objectives, policies and procedures that shall guide its activities, including the means to effectively monitor Management's performance.

### **B. Specific Roles, Duties, and Responsibilities**

To ensure a high standard of best practices for Valley Golf and its stakeholders, the Board shall conduct itself with honesty and integrity in the performance of the following duties and functions, among others:

- a. Act on a fully informed basis, in good faith, with due diligence and care, and in the best interest of the company and all shareholders and all other stakeholders;

- b. Oversee the development of and approve the company's business and strategy , and monitor its implementation, in order to sustain the company's long term visibility and strength including providing sound strategic policies and guidelines to the corporation on major capital expenditures;
- c. Ensure and adopt an effective succession planning program for directors, key officers and Management to ensure the continuous and consistent growth of the company, including adopting a retirement policy for directors and key officer as well as appoint competent, professional, honest and highly motivated management officers; ;
- d. Align the remuneration of key officers and board members with the long-term interests of the company and in doing so, formulate and adopt a policy specifying the relationship between remuneration and performance; in this regard, no director shall participate in the determination of his or her own per diem or compensation;
- e. Implement a formal and transparent board nomination and election policy that should include how it accepts nominations from its shareholders and reviews the qualifications of nominated candidates; this policy shall also include an assessment of the effectiveness of the Board's process and procedures in the nomination, election of directors who can add value and contribute independent judgment to the formulation of sound corporate strategies and policies, as well as in the replacement/removal of a director; the process of identifying the quality of directors should be aligned with the strategic direction of the company;
- f. Exercise overall responsibility in ensuring that there is a policy and system governing related party transactions (RPTs) and other unusual or infrequently occurring transactions, particularly those which pass certain thresholds of materiality; the policy shall include the appropriate review and approval of material RPTs, which govern fairness and transparency of the transactions; this includes formulation and implementation of policies and procedures that would ensure the integrity and transparency of RPT transactions between and among the corporation and its parent company, joint ventures,

subsidiaries, associates, affiliates, major stockholders, officers and directors, including their spouses, children and dependent siblings and parents, and of interlocking director relationships by members of the Board;

- g. Establish programs that can sustain its long-term viability and strength;
- h. Assume primary responsibility for approving the selection and assessing the performance of the Management led by the CEO or his or her equivalent, and control functions led by their respective heads (Chief Risk Officer, Chief Compliance Officer, and Chief Audit Executive as may be applicable);
- i. Establish an effective performance evaluation framework, which includes the standard or criteria for assessment, that will ensure the Management, including the CEO or his or her equivalent, and personnel's performance is at par with the standards set by the Board and Senior Management as well as periodically evaluate and monitor the implementation of such policies and strategies, including the business plans and operating budgets;
- j. Ensure and maintain an investor relations program that will keep the stockholders informed of important developments in the Corporation. If feasible, the Corporation's CEO or chief financial officer shall exercise oversight responsibility over this program;
- k. Identify the Corporation's stakeholders in the community in which the corporation operates or are directly affected by its operations, and formulate a clear policy of accurate, timely and effective communication with them;
- l. Oversee that an appropriate internal control system is in place in order to maintain its adequacy and effectiveness, including setting up a mechanism for monitoring and managing potential/actual conflicts of interest of board members, managements and shareholders; the Board shall adopt an Internal Audit Charter. A regular review of the effectiveness of such system shall be conducted to ensure the integrity of the decision making and reporting processes at all times.

- m. Oversee that a sound Enterprise Risk Management framework is in place to effectively identify, monitor, assess and manage key business risks with due diligence to enable the corporation to anticipate and prepare for possible threats to its operational and financial viability; the risk management framework shall guide the Board in identifying units/business lines and enterprise-level risk exposures as well as the effectiveness of risk management areas;
- n. Enact a Board Charter that formulates and clearly states its rules, responsibilities and accountabilities in carrying out its fiduciary duties; the Board Charter shall serve as a guide in the directors in the performance of their functions and should be made publicly available;
- o. Constitute an Audit Committee, Corporate Governance Committee, Board Risk Oversight Committee as well as the Nomination Committee, Related Party Transaction Committee and Remuneration Committee and such other committees it deems necessary to assist the Board in the performance of its duties and responsibilities.
- p. Establish and maintain an alternative dispute resolution system in the Corporation that can amicably settle conflicts or differences between the Corporation and its stockholders, and Corporation and third parties, including the regulatory authorities.
- q. Meet at such times or frequencies as may be needed. The minutes of such meeting shall be duly recorded. Independent views during Board meetings shall be encouraged and given due consideration.
- r. Keep the activities and decisions of the Board within its authority under the articles of incorporation and by-laws, and in accordance with existing laws, rules and regulations.
- s. Ensure faithful compliance with all applicable laws, regulations and best business practices.
- t. Appoint a Compliance Officer who shall have the rank of Manager or an equivalent position, and who shall not be a member of the Board of Directors, shall be separate from the

Corporate Secretary, and shall annually attend a training on corporate governance;

- u. Ensure that the non-executive directors of the Board shall not concurrently serve as directors to more than ten (10) public companies and/or registered issuers. However, the maximum concurrent directorships shall be five (5) public companies and/or registered issuers if the director also sits in at least three (3) publicly- listed companies.
- v. Ensure that its independent directors possess the necessary qualifications and none of the disqualifications for an independent director to hold the position;
- w. Conduct an annual self-assessment of its performance, including the performance of its Chairperson, individual members and committees;
- x. Adopt a Code of Business Conduct and Ethics , which would provide standards for professional and ethical behavior, as well as articulate acceptable and unacceptable conduct and practices in internal and external dealings of board members. The Code shall be properly disseminated to all the members of the Board. It shall also be disclosed and made available to the public through the company website.
- y. Establish corporate disclosure policies and procedures that are practical and in accordance with generally accepted best practices and regulatory expectations;
- z. Adopt a policy requiring all directors and officers to disclose /report to the company any dealings in the company's shares by the said directors and officers within five (5) business days.

### **3. ESTABLISHING BOARD COMMITTEES**

*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, compliance and other key corporate governance concerns, such as nomination and remuneration. The composition, functions and responsibilities of all the board committees should be contained in their respective board committee charters.*

The Board shall establish Board committees that focus on Board functions to aid in the optimal performance of its roles and responsibilities. All Board committees and other established committees shall have Committee Charters stating in plain terms their respective purposes, membership 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.

The Board shall constitute the following committees:

**A. AUDIT COMMITTEE**

The Board shall establish 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. The Audit Committee shall be composed of at least three (3) appropriately qualified non-executive directors, one of whom should be an independent director who shall be the Chairperson. All of the members of the committee must have relevant background, knowledge, skills and/or experience in the areas of accounting, auditing and finance. The Chairperson of the Audit committee shall not be the Chairperson of the Board or of any other committees.

The Audit Committee has the following duties and responsibilities, among others:

- a. Recommends the approval of the Internal Audit (IA) Charter, which formally defines the responsibilities, powers and authority of the IA Department, the audit plan of the IA Department, as well as oversees the implementation of the IA Charter;
- b. Through the IA Department, monitors and evaluates the adequacy and effectiveness of the corporation's internal control system, integrity of financial operating, and security of physical and information assets. Well-designed internal control procedures and processes that will provide a system of checks and balances shall be in place in order to: a) safeguard the company's resources and ensure their effective utilization, b) prevent occurrence of fraud and other irregularities, c) protect

the accuracy and reliability of the company's financial data, and  
d) ensure compliance with applicable rules and regulations;

- c. Oversees the IA Department and recommends the appointment and removal of IA head as well as his qualifications, and grounds for appointment and removal. The Audit Committee shall also approve the terms and conditions for outsourcing internal audit services, if applicable;
- d. Establishes and identifies the reporting line of the Internal Auditor to enable him to properly fulfill his duties and responsibilities. For this purpose, he shall directly report to the Audit Committee.
- e. Monitors the Management's responsiveness to the Internal Auditor's findings and recommendations;
- f. Prior to the commencement of the audit, discusses with the External Auditor the nature, scope and expenses of the audit, and ensures the proper coordination if more than one audit firm is involved in the activity to identify proper coverage and minimize duplication of efforts;
- g. Evaluates and determines the non-audit work, if any of the External Auditor, and periodically reviews the non-audit fees paid to the External Auditor in relation to the total fees paid and the corporation's overall consultancy expenses. The Audit Committee shall disallow any non-audit work that will conflict with the duties of an External Auditor or may pose a threat to his independence. The non-audit work, if allowed, shall be disclosed in the corporation's Annual Report and Annual Corporate Governance Report.
- h. Reviews and approves the Interim and Annual Financial Statement before their submission to the Board, with particular focus on the following matters:
  - Any change/s in accounting policies and practices
  - Areas where a significant amount of judgment has been exercised;
  - Significant adjustments resulting from the audit

- Going concern assumptions
  - Compliance with accounting standards;
  - Compliance with tax, legal and regulatory requirements;
- i. Reviews the recommendations in the External Auditor's management letter;
  - j. Performs oversight functions over the corporation's Internal and External Auditors and ensures their independence and unrestricted access to all records, properties and personnel to enable them to perform their respective audit functions taking into consideration relevant Philippine professional and regulatory requirements;
  - k. Coordinates, monitors and facilitates compliance with laws, rules and regulations;
  - l. Recommends to the Board any appointment, reappointment, removal and fees of the External Auditor, duly accredited by the Commission, who undertakes an independent audit of the corporation, and provides an objective assurance on the manner by which the financial statements shall be prepared and presented to the shareholders;
  - m. Evaluates on an ongoing basis existing relations between and among businesses and counterparties to ensure that all related parties are continuously identified, RPTs are monitored, the Related Party Registry is updated to capture subsequent changes in relationship with counterparties (from non-related to related and vice-versa);
  - n. In case of the absence of a Related Party Transactions (RPTs) Committee, evaluates all RPTs to ensure that these are not undertaken on more favorable economic terms (e.g., price, commissions, interest rates, fees, tenor, collateral requirement) to such related parties than similar transactions with non-related parties under similar circumstances and that no corporate or business resources of the company are misappropriated or misapplied;



- o. In case of the absence of an RPT Committee:
- Determines any potential reputational risk issues that may arise as a result of or in connection with RPTs. In evaluating RPTs, the Committee takes into account, among others, the following:
    1. The related party's relationship to the company and interest in the transaction;
    2. The material facts of the proposed RPT, including the proposed aggregate value of such transaction;
    3. The benefits to the corporation of the proposed RPT;
    4. The availability of other sources of comparable products or services; and
    5. An assessment of whether the proposed RPT is undertaken on terms and conditions that are comparable to the terms generally available to an unrelated party under certain circumstances. The company shall have an effective price discovery system in place and exercise due diligence in determining a fair price for RPTs.
  - Ensures that appropriate disclosure is made, and/or information is provided to regulating and supervising authorities relating to the company's RPT exposures, and policies on potential and/or actual conflicts of interest. The disclosure shall include information on the approach to managing material conflicts of interest that are inconsistent with such policies, and conflicts that could arise as a result of the company's affiliation or transactions with other related parties;
  - Reports to the Board of Directors on a regular basis, the status and aggregate exposure to each related party, as well as the total amount of exposures to all related parties;

- Ensures the transactions with related parties, including write-off of exposures that are subject to a periodic independent review or audit process;
  - Oversees the implementation of the system for identifying, monitoring, measuring, controlling and reporting RPTs, including a periodic review of RPT policies and procedures; and
- p. Performs the functions of the Board Risk Oversight Committee, in the absence thereof;
- q. Meets internally and with the Board at least once every quarter without the presence of the CEO or other Management team members, and periodically meets with the head of the IA.
- r. 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;

The Audit Committee shall observe a robust process for approving and recommending the appointment, re-appointment, removal and fees of the external auditor. The appointment, re-appointment, removal and fees of the external auditor shall be recommended by the Audit Committee and approved by the Board of Directors and the shareholders. For the removal or change in the external auditor, the reasons for removal or change shall be disclosed to the Commission, the shareholders, and the public through the company website and other required disclosures.

The Audit Committee shall have a Charter which shall include its responsibility on assessing the integrity and independence of external auditors and exercising effective oversight to review and monitor the external auditor's independence and objectivity and the effectiveness of the audit process, taking into consideration relevant Philippine professional and regulatory requirements. The Charter shall also contain the Audit Committee's responsibility on reviewing and monitoring the external auditor's suitability and effectiveness on an annual basis.

## **B. CORPORATE GOVERNANCE COMMITTEE**

The Board shall establish 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 the Nomination and Remuneration Committee. It shall be composed of at least three (3) directors, one of whom should be an independent director and the Chairperson may or may not be an independent director.

The Corporate Governance Committee (CG) shall have the following duties and functions, among others:

- a. Oversees the implementation of the corporate governance framework and periodically reviews the said framework to ensure that it remains appropriate in light of material changes to the corporation's size, complexity of operations and business strategy, as well as its business and regulatory environments;
- b. Oversees the periodic performance evaluation of the Board and its committees as well as the executive management, and conducts an annual evaluation of the said performance;
- c. Ensures that the results of the Board evaluation are discussed, and that concrete action plans are developed and implemented to address the identified areas for improvement;
- d. Recommends the continuing education/programs for directors, assignment of tasks/projects to board committees, succession plan for the board members and senior officers, and remuneration packages for corporate and individual performances;
- e. Adopts corporate governance policies and ensures that these are reviewed and updated regularly, and consistently implemented in form and substance;
- f. Proposes and plans relevant trainings for the members of the Board;
- g. Determines the nomination and election process for the company's directors and defines the general profile of board members that the company may need, and ensures that

appropriate knowledge, competencies and expertise that complement the existing skills of the Board are adopted as standards and criteria for nomination and election; the nomination and election process also includes the review and evaluation of the qualifications of all persons nominated to the Board, including whether candidates:

1. Possess the knowledge, skills and experience, and particularly in the case of non-executive directors, the independence of mind given their responsibilities to the Board and in light of the entity's business and risk profile;
2. Have a record of integrity and good repute;
3. Have sufficient time to carry out their responsibilities;
4. Have the ability to promote a smooth interaction between board members;

The process includes monitoring the qualifications of the candidates.

- h. Establishes a formal and transparent procedure for determining the remuneration of directors and officers that is consistent with the corporation's culture and business strategy as well as the business environment in which it operates.

The establishment of a Corporate Governance Committee does not preclude the company from establishing separate Remuneration or Nomination Committees, if it deems desirable or necessary.

Should the Board establish a separate Nomination Committee, it shall be composed of at least three (3) members and one of whom shall be an independent director, to review and evaluate the qualifications of all persons nominated to the Board and other appointments that require Board approval, and to assess the effectiveness of the Board's processes and procedures in the election or replacement of directors.

Should the Board establish a separate Remuneration Committee, it shall be composed of at least three (3) members and one of whom shall be an independent director, to establish a formal and

transparent procedure for developing a policy on remuneration of directors and officers to ensure that their compensation is consistent with the corporation's culture, strategy and the business environment in which it operates.

#### **4. FOSTERING COMMITMENT**

*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.*

- A. The directors shall attend and actively participate in all meetings of the Board, Committees, and shareholders/members in person or through tele-/Videoconferencing conducted in accordance with the rules and regulations of the Commission, except when justifiable causes, such as, illness, death in the immediate family and serious accidents, prevent them from doing so. In Board and Committee meetings, the directors shall review meeting materials and if called for, ask the necessary questions or seek clarifications and explanations.
- B. The non-executive directors of the Board shall not concurrently serve as directors to more than ten (10) public companies and/or registered issuers. However, the maximum concurrent directorships shall be five (5) public companies and/or registered issuers if the director also sits in at least three (3) publicly-listed companies.
- C. A director shall notify the Board where he is an incumbent director before accepting a directorship in another company.

#### **5. REINFORCING BOARD INDEPENDENCE**

*The Board should endeavor to exercise an objective and independent judgment on all corporate affairs.*

##### **A. Non-executive Directors**

The Board shall be composed of a majority of non-executive directors who possess the necessary qualifications to effectively participate and

help secure objective, independent judgment on corporate affairs and to carry out proper checks and balances.

The non-executive directors shall have separate periodic meetings with the external auditor and heads of the internal audit, compliance and risk functions, without any executive directors present to ensure that proper checks and balances are in place within the corporation.

## **B. Independent Directors**

The Board shall have at least two (2) independent directors constituting twenty percent (20%) of the total number of the members of the Board.

### **1. Qualifications and Disqualifications of IDs**

The Board shall ensure that its independent directors possess the necessary qualifications and none of the disqualifications for an independent director to hold the position.

An ID refers to a person who, ideally:

- a. Is not, or has not been a senior officer or employee of the covered company unless there has been a change in the controlling ownership of the company;
- b. Is not, and has not been in the two (2) years immediately preceding the election, a director of the covered company; a director, officer, employee of the covered company's subsidiaries, associates, affiliates or related companies; or a director, officer, employee of the covered company's substantial shareholders and its related companies;
- c. Has not been appointed in the covered company, its subsidiaries, associates, affiliates or related companies as Chairperson "Emeritus," "Ex-Officio" Directors/Officers or Members of any Advisory Board, or otherwise appointed in a capacity to assist the Board in the performance of its duties and responsibilities within two (2) years immediately preceding his election;

- d. Is not an owner of more than two percent (2%) of the outstanding shares of the covered company, its subsidiaries, associates, affiliates or related companies;
- e. Is not a relative of a director, officer, or substantial shareholder of the covered company or any of its related companies or of any of its substantial shareholders. For this purpose, relatives include spouse, parent, child, brother, sister and the spouse of such child, brother or sister;
- f. Is not acting as a nominee or representative of any director of the covered company or any of its related companies;
- g. Is not a securities broker-dealer of listed companies and registered issuers of securities. "Securities broker-dealer" refers to any person holding any office of trust and responsibility in a broker-dealer firm, which includes, among others, a director, officer, principal shareholder, nominee of the firm to the Exchange, an associated person or salesman, and an authorized clerk of the broker or dealer;
- h. Is not retained, either in his personal capacity or through a firm, as a professional adviser, auditor, consultant, agent or counsel of the covered company, any of its related companies or substantial shareholder, or is otherwise independent of Management and free from any business or other relationship within the two (2) years immediately preceding the date of his election;
- i. Does not engage or has not engaged, whether by himself or with other persons or through a firm of which he is a partner, director or substantial shareholder, in any transaction with the covered company or any of its related companies or substantial shareholders, other than such transactions that are conducted at arm's length and could not materially interfere with or influence the exercise of his independent judgment within the two (2) years immediately preceding the date of his election;

- j. Is not affiliated with any non-profit organization that receives significant funding from the covered company or any of its related companies or substantial shareholders; and
- k. Is not employed as an executive officer of another company where any of the covered company's executives serve as directors. Related companies, as used in this section, refer to (a) the covered entity's holding/parent company; (b) its subsidiaries; and (c) subsidiaries of its holding/parent company.

Related companies, as used in this section, refer to (a) the covered entity's holding/parent company; (b) its subsidiaries; and (c) subsidiaries of its holding/parent company.

## **2. Maximum Cumulative Term**

The Board's independent directors shall serve for a maximum cumulative term of nine (9) years. After which, the independent director shall be perpetually barred from reelection as such in the same company, but may continue to qualify for nomination and election as a non-independent director. In the instance that a company wants to retain an independent director who has served for nine (9) years, the Board shall provide meritorious justification/s and seek shareholders'/members' approval during the annual shareholders'/members' meeting.

## **C. Chairperson of the Board**

The positions of Chairperson of the Board and President or its equivalent position, shall be held by one and the same individual as elected by the members of the Board and each position shall have clearly defined responsibilities.

The Board shall be headed by a competent and qualified Chairperson.

The roles and responsibilities of the Chairperson shall be contained in the Board Charter. These include, among others, the following:

- a. Makes certain that the meeting's agenda focuses on strategic matters, including the overall risk appetite of the corporation,



taking into account the developments in the business and regulatory environments, key governance concerns, and contentious issues that will significantly affect operations;

- b. Guarantees that the Board receives accurate, timely, relevant, insightful, concise, and clear information to enable it to make sound decisions;
- c. Facilitates discussions on key issues by fostering an environment conducive for constructive debate and leveraging on the skills and expertise of individual directors;
- d. Ensures that the Board sufficiently challenges and inquires on reports submitted and representations made by Management;
- e. Assures the conduct of proper orientation for first-time directors and continuing training opportunities for all directors; and
- f. Makes sure that performance of the Board is evaluated at least once a year and discussed or followed up on if necessary.

#### **D. President**

On the other hand, the President has the following roles and responsibilities, among others:

- a. Implements the corporation's strategic plan on the direction of the business;
- b. Communicates and implements the corporation's vision, mission, values and overall strategy as formulated by the board and promotes any organization or stakeholder change in accordance with the same;
- c. Oversees the operations of the corporation and manages human and financial resources in accordance with the strategic plan;
- d. Has a good working knowledge of the corporation's industry and market and keeps up-to-date with its core business purpose;

- e. Directs, evaluates and guides the work of the key officers of the corporation;
- f. Manages the corporation's resources prudently and ensures a proper balance of the same;
- g. Provides the Board with timely information and interfaces between the Board and the employees;
- h. Builds the corporate culture and motivates the employees of the corporation; and
- i. Serves as the link between internal operations and external stakeholders.

**E. Conflict of Interest**

A director with a material or potential interest in any transaction affecting the corporation shall fully disclose his adverse interest, abstain from taking part in the deliberations for the same and recuse from voting on the approval of the transaction.

The abstention of a director from participating in a meeting when related party transactions, self-dealings or any transactions or matters on which he has a material interest are taken up ensures that he has no influence over the outcome of the deliberations. The fundamental principle to be observed is that a director does not use his position to profit or gain some benefit or advantage for himself and/or his related interests.

**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.*

- A. The Board shall conduct an annual self-assessment of its performance, including the performance of the Chairperson, individual members and committees.
- B. The Board shall have in place a system that provides, at the minimum, criteria and process to determine the performance of the Board, the

individual directors, committees and such system shall allow for a feedback mechanism from the shareholders / members.

## **7. STRENGTHENING BOARD ETHICS**

*Board directors are duty-bound to apply high ethical standards, taking into account the interests of all stakeholders.*

- A. The Board shall adopt a Code of Business Conduct and Ethics, which would provide standards for professional and ethical behavior, as well as articulate acceptable and unacceptable conduct and practices in internal and external dealings of board members.
- B. The Code shall be properly disseminated to all the members of the Board. It shall also be disclosed and made available to the public through the company website.
- C. The Board shall ensure the proper and efficient implementation and monitoring of compliance with the Code of Business Conduct and Ethics.

## **III. DISCLOSURE AND TRANSPARENCY**

### **8. ENHANCING COMPANY DISCLOSURE POLICIES AND PROCEDURES**

*The Board should establish corporate disclosure policies and procedures that are practical and in accordance with generally accepted best practices and regulatory expectations.*

- A. The Board shall establish 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.
- B. The Company shall have a policy requiring all directors and officers to disclose/report to the company any dealings in the company's shares by the said directors and officers within five (5) business days.
- C. The company's corporate governance policies, programs and procedures shall be contained in its Manual on Corporate Governance,

which shall be submitted to the Commission and posted on the company's website.

- D. The company shall disclose all relevant information on its corporate governance policies and practices in the Annual Corporate Governance Report, which shall be submitted to the Commission, and continuously updated and posted on the company's website.

The ACGR shall contain the following disclosures, among others:

- a. A policy on disclosure of all relevant and material information on individual board directors and key executives to evaluate their experience and qualifications, and assess any potential and/or actual conflicts of interest that might affect their judgment as prescribed under Rule 12 Annex C of the SRC;
- b. Board and executive remuneration, as well as the level and mix of the same;
- c. Accurate disclosure to the public of every material fact or event that occurs in the company, particularly on the acquisition or disposal of significant assets, which could adversely affect the viability or the interest of its shareholders/members and other stakeholders, which includes policy on the appointment of an independent party to evaluate the fairness of the transaction price on the acquisition or disposal of assets;
- d. The non-audit work, if any, of the External Auditor, the non-audit fees paid to the External Auditor in relation to the total fees paid to him and to the corporation's overall consultancy expenses;
- e. The attendance record of the company's directors for the previous year; and
- f. Other information that the Commission or other regulatory agencies, may, from time to time require disclosure of.

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.*

- A. The Audit Committee shall have a robust process for approving and recommending the appointment, reappointment, removal, and fees of the external auditor. The appointment, reappointment, removal, and fees of the external auditor shall be recommended by the Audit Committee and approved by the Board of Directors and the shareholders. For the removal or change in the external auditor, the reasons for removal or change shall be disclosed to the Commission, the shareholders, and the public through the company website and other required disclosures.
- B. The Audit Committee Charter shall include the Audit Committee's responsibility on assessing the integrity and independence of external auditors and exercising effective oversight to review and monitor the external auditor's independence and objectivity and the effectiveness of the audit process, taking into consideration relevant Philippine professional and regulatory requirements. The Charter shall also contain the Audit Committee's responsibility on reviewing and monitoring the external auditor's suitability and effectiveness on an annual basis.
- C. The company shall disclose the nature of non-audit services performed by its external auditor in the Annual Report in the interest of managing potential conflict of interest cases. The Audit Committee shall be 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.

**10. INCREASING FOCUS ON NON-FINANCIAL AND SUSTAINABILITY REPORTING**

*The Board should ensure that the company discloses material and reportable nonfinancial and sustainability issues.*

The company shall have a clear and focused strategy on the disclosure of non-financial information. It shall disclose to all shareholders/members and other stakeholders the company's strategic (long-term goals) and operational objectives (short-term goals) as well as impacts of a wide range of sustainability issues, with emphasis on the management of environmental,

economic, social and governance (EESG) issues of its business which underpin sustainability.

**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 an informed decision-making by investors, stakeholders and other interested users.*

The company shall have a website to ensure a comprehensive, cost-efficient, transparent and timely manner of disseminating relevant information to the public.

**IV. INTERNAL CONTROL AND RISK MANAGEMENT FRAMEWORKS**

**12. STRENGTHENING INTERNAL CONTROL AND RISK MANAGEMENT SYSTEMS**

*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.*

A. The Company shall have an adequate and effective internal control system and an Enterprise Risk Management framework in the conduct of its business, taking into account its size, risk profile, nature and complexity of operations.

B. The Company shall have 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.

The following are the functions of the IA, among others:

a. Provides an independent risk-based assurance service to the Board, Audit Committee and Management, focusing on reviewing the effectiveness of the governance and control processes in (1) promoting the right values and ethics, (2) ensuring effective performance management and accounting in the organization, (3) communicating risk and control information, and (4) coordinating the activities and

information among the Board, external and internal auditors, and Management;

- b. Performs regular and special audit as contained in the annual audit plan and/or based on the company's risk assessment;
- c. Performs consulting and advisory services related to governance and control as appropriate for the organization;
- d. Performs compliance audit of relevant laws, rules and regulations, contractual obligations and other commitments, which could have a significant impact on the organization;
- e. Reviews, audits and assesses the efficiency and effectiveness of the internal control system of all areas of the company;
- f. Evaluates operations or programs to ascertain whether results are consistent with established objectives and goals, and whether the operations or programs are being carried out as planned;
- g. Evaluates specific operations at the request of the Board or Management, as appropriate; and
- h. Monitors and evaluates governance processes. A company's IA activity may be a fully resourced activity housed within the organization or may be outsourced to qualified independent third party service providers.

## **V. CULTIVATING A SYNERGIC RELATIONSHIP WITH SHAREHOLDERS/MEMBERS**

### **13. PROMOTING SHAREHOLDER/MEMBER RIGHTS**

*The company should treat all shareholders/members fairly and equitably, and also recognize, protect and facilitate the exercise of their rights.*

- A. The Board shall respect the rights of the stockholders as provided for in the Revised Corporation Code and other applicable laws, rules and regulations, namely:

#### **1. Voting Right**

Shareholders shall have the right to elect, remove and replace directors and vote on certain corporate acts in accordance with the Revised Corporation Code. Cumulative voting shall be used in the election of directors.

A director shall not be removed without cause if it will deny minority shareholders representation in the Board.

**2. Pre-emptive Right**

All stockholders shall have pre-emptive rights. They shall have the right to subscribe to the capital stock of the Corporation. The Articles of Incorporation shall lay down the specific rights and powers of shareholders with respect to the particular shares they hold, all of which shall be protected by law so long as they shall not be in conflict with the Corporation Code.

**3. Power of Inspection**

All shareholders shall be allowed to inspect corporate books and records including minutes of Board meetings and stock registries in accordance with the Corporation Code and shall be furnished with annual reports, including financial statements, without cost or restrictions.

**4. Right to Information**

The Shareholders shall be provided, upon request, with periodic reports which disclose personal and professional information about the directors and officers and certain other matters such as their holdings of the company's shares, dealings with the company, relationships among directors and key officers.

The minority shareholders shall be granted the right to propose the holding of a meeting, and the right to propose items in the agenda of the meeting, provided the items are for legitimate business purposes.

The minority shareholders shall have access to any and all information relating to matters for which the management is accountable for and to those relating to matters for which the management shall include such information and, if not



included, then the minority shareholders shall be allowed to propose to include such matters in the agenda of stockholders' meeting, being within the definition of "legitimate purposes".

## **5. Right to Dividends**

Valley Golf is a non-profit club and as such does not issue any cash or stock dividends.

## **6. Appraisal Right**

The shareholders' shall have appraisal right or the right to dissent and demand payment of the fair value of their shares in the manner provided for under Section 80 of the Revised Corporation Code of the Philippines, under any of the following circumstances:

- a. In case any amendment to the articles of incorporation has the effect of changing or restricting the rights of any stockholders or class of shares, or of authorizing preferences in any respect superior to those of outstanding shares of any class, or of extending or shortening the term of corporate existence;
- b. In case of sale, lease, exchange, transfer, mortgage, pledge or other disposition of all or substantially all of the corporate property and assets as provided in the Corporation Code; and
- c. In case of merger or consolidation.
- d. In case of investment of corporate funds for any purpose other than the primary purpose of the corporation.

It shall be the duty of the directors to promote shareholder rights, remove impediments to the exercise of shareholders' rights and allow possibilities to seek redress for violation of their rights. They shall encourage the exercise of shareholders' voting rights and the solution of collective action problems through appropriate mechanisms. They shall be instrumental in removing excessive costs and other administrative or practical impediments to shareholders participating in meetings and/or voting in person. The directors shall pave the way

for the electronic filing and distribution of shareholder information necessary to make informed decisions subject to legal constraints.

Shareholders/members are encouraged to participate when given sufficient information prior to voting on fundamental corporate changes such as: (1) amendments to the Articles of Incorporation and By-Laws of the company; and (2) extraordinary transactions, including the transfer of all or substantially all assets that, in effect, results in the sale of the company. Shareholders/members should also be informed before major changes in the business operation of the company happens. In addition, the disclosure and clear explanation of voting procedures, as well as the removal of excessive or unnecessary costs and other administrative impediments, allow for the effective exercise of shareholders'/members' voting rights. Poll voting is highly encouraged as opposed to the show of hands. Proxy voting is also a good practice, including the electronic distribution of proxy materials.

The right to propose the holding of meetings and items for inclusion in the agenda is given to all shareholders and members. However, to prevent the abuse of this right, companies may require that the proposal be made by shareholders or members holding a specified percentage of shares or voting rights. On the other hand, to ensure that minority shareholders are not effectively prevented from exercising this right the degree of ownership concentration is considered in determining the threshold.

Lastly, all shareholders and members must be given the opportunity to nominate candidates to the Board of Directors or Trustees, and/or cause the removal of any member thereof in accordance with the existing laws. The procedures of the nomination and removal process are expected to be discussed clearly by the Board. The company is encouraged to fully and promptly disclose all information regarding the expertise, experience and background of the candidates to enable the shareholders and members to study and conduct their own background check as to the candidates' qualification and credibility.

- B. The Board shall encourage active shareholder participation by sending the Notice of Annual and Special Shareholders'/Members' Meeting with sufficient and relevant information at least 21 days before the meeting.
- C. The Board shall encourage active shareholder/member participation by making the result of the votes on matters taken during the most

recent Annual or Special Shareholders'/ Members' Meeting publicly available the next working day. In addition, the Minutes of the Annual and Special Shareholders'/Members' Meeting shall be available on the company website within five (5) business days from the date of the meeting.

- D. The Board shall make available, at the option of a shareholder/member, an alternative dispute mechanism to resolve intra-corporate disputes in an amicable and effective manner.

## **VI. DUTIES TO STAKEHOLDERS**

### **14. RESPECTING RIGHTS OF STAKEHOLDERS AND EFFECTIVE REDRESS FOR VIOLATION OF STAKEHOLDER'S RIGHTS**

*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.*

- A. The Board shall identify the company's various stakeholders and promote cooperation between them and the company in creating wealth, growth and sustainability.
- B. The Board shall establish clear policies and programs to provide a mechanism on the fair treatment, protection and enforcement of the rights of stakeholders.

### **15. ENCOURAGING EMPLOYEES' PARTICIPATION**

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

- A. The Board shall establish policies, programs and procedures that encourage employees to actively participate in the realization of the company's goals and in its governance.

The establishment of policies and programs covering, among others, the following: (1) health, safety and welfare of employees; (2) manpower training and development; and (3) employee

reward/compensation, encourages employees to perform better and motivates them to take a more dynamic role in the corporation.

- B. The Board shall set the tone and make a stand against corrupt practices by adopting an anti-corruption policy and program in its Code of Business Conduct and Ethics. Further, the Board shall disseminate the policy and program to employees across the organization through orientations and continuous trainings to embed them in the company's culture.
- C. The Board shall establish a suitable framework for whistleblowing that allows employees to freely communicate their concerns about illegal or unethical practices, without fear of retaliation and to have direct access to an independent member of the Board or a unit created to handle whistleblowing concerns. The Board shall be conscientious in establishing the framework, as well as in supervising and ensuring its enforcement.

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

*The company should be socially responsible in all its dealings with the communities in which 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.*

The company shall recognize and place an importance on the interdependence between business and society, and promote a mutually beneficial relationship that allows the company to grow its business, while contributing to the advancement of the society where it operates.

#### **VII. COMMITMENT TO GOOD CORPORATE GOVERNANCE**

The corporation adheres to the principles of transparency, accountability and fairness, and aims for the highest standards of business ethics. Promotion of a culture of good governance is always on top of the company's agenda.

In its commitment to abide by the highest forms of integrity and transparency in all its dealings both internally, among its stakeholders, staff and employees; and externally, among its customers, suppliers, partners, competitors, regulators and the general public; the Board of directors shall see to it that the following are complied with:

1. All material information shall be timely and fully disclosed to the public in accordance with Securities Regulation Code and the Rules and Regulations of the SEC. Such information shall include board changes, earning results, related party transactions, shareholdings of directors and changes to ownership and reorganization of the company.
2. Annual and quarterly reportorial requirements of the Exchange and the Commission must be complied with information that shall always be disclosed includes remuneration of all directors and senior management, corporate strategy and list of issuances, outstanding balance and maturing commercial papers as at the end of quarter.
3. Disclosure of all information should be made via the recognized and approved procedure for company announcements and public releases as well as through the Annual Report,
4. The Company shall disclose all relevant information on its corporate governance policies and practices in the Annual Corporate Governance Report (AGCR) which should be submitted to the Commission and continuously updated and posted on the company's website. The AGCR shall contain all the required disclosures as provided under SEC Memorandum Circular No. 24, Series of 2019.
5. The Manual of Corporate Governance shall be made available for inspection by any stockholder at reasonable hours on business days.

## **VIII. MONITORING AND ASSESSMENT**

- A. Each Committee shall report regularly to the Board of Directors.
- B. The Compliance Officer shall establish an evaluation system to determine and measure compliance with this Manual. Any violation thereof shall subject the responsible officer or employee to the penalty provided under Part 8 of this Manual.  
  
The establishment of such evaluation system, including the features thereof, shall be disclosed in the company's annual report (SEC Form 17-A) or in such form of report that is applicable to the Corporation. The adoption of such performance evaluation system must be covered by a Board approval.
- C. This Manual shall be subject to annual review unless the same frequency is amended by the Board.

- D. All business processes and practices being performed within any department or business unit of Valley Golf that are not consistent with any portion of this manual shall be revoked unless upgraded to the compliant extent.

## **IX. ADMINISTRATIVE SANCTIONS**

To avoid non-compliance and to strictly observe the provisions of this Manual, the Board of Directors may impose appropriate sanctions, penalty or corrective measures, after due notice and hearing, on the erring directors, officers and employees.

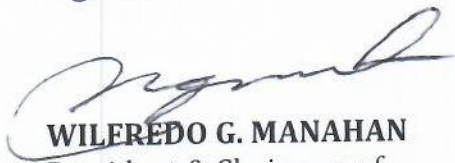
Sanction or penalty may include censure, suspension, dismissal from employment and/or removal from office depending on gravity of the offense, the resulting damage, as well as the frequency of the violation.

The commission of a grave violation of this Manual by any member of the Board of the Corporation shall be sufficient cause for removal from directorship. Removal from directorship shall be done in accordance with the procedures provided under Section 27, Title III, of the Revised Corporation Code.


## **X. EFFECTIVITY**

This Amended Manual shall become effective upon approval by the Board of Directors and submission to the Commission.

**Signed:**



**WILEREDO G. MANAHAN**  
President & Chairman of  
the Board of Directors



**CLIFF M. FRIEDMAN**  
General Manager/  
Compliance Officer