

COVER SHEET

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S.E.C. Registration Number

A Z A L E A L E I S U R E R E S I D E N C E S

C O R P O R A T I O N D O I N G B U S I N E S S

U N D E R T H E N A M E A N D S T Y L E O F

A Z A L E A V A C A T I O N C L U B

(Company's Full Name)

7 6 P G M C B L D G . C A L B A Y O G S T .

M A N D A L U Y O N G C I T Y

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

Atty. Mariel A. Yanogacio

Contact Person/s

(632) 8470-2321

Company Telephone

Number

1 2

Month

3 1

Day

Calendar Year

SEC FORM-ACGR (FOR PC/RI)

FORM TYPE

0 6

Month

0 1

Day

Annual Meeting

Preferred Shares

Secondary License Type, If Applicable

CGFD

Dept. Requiring this Doc.

Amended Articles Number/Section

9

Total No. of Stockholders

9

Domestic

0

Foreign

To be accomplished by SEC Personnel concerned

File Number

File Number

LCU

LCU

Document I.D.

Document I.D.

Cashier

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STAMPS

ANNUAL CORPORATE GOVERNANCE REPORT FOR PUBLIC COMPANIES AND REGISTERED ISSUERS

AZALEA LEISURE RESIDENCES CORPORATION DOING BUSINESS UNDER THE NAME AND STYLE OF
AZALEA VACATION CLUB

RECOMMENDATION	COMPLIANT/ NON-COMPLIANT	ADDITIONAL INFORMATION	EXPLANATION
THE BOARD'S GOVERNANCE RESPONSIBILITIES			
Principle 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.			
Recommendation 1.1			
1	COMPLIANT	<i>Provide information or link/reference to a document containing information on the following:</i>	Please see the Directors', Independent Directors', and Officers' Information, Annex "A" hereof.
2	COMPLIANT	<i>1. Academic qualifications, industry knowledge, professional experience, expertise and relevant trainings of directors.</i>	Please see the Directors' and Independent Directors' Information.
3	COMPLIANT	<i>2. Qualification standards for directors to facilitate the selection of potential nominees and to serve as benchmark for the evaluation of its performance.</i>	Please see the Directors', Independent Directors', and Officers' Information .
Recommendation 1.2			
1	COMPLIANT	<i>Provide information or reference to a document containing information of the Chairperson, including his/her name, qualifications, and expertise.</i>	Please see the Directors', Independent Directors', and Officers' Information .
Recommendation 1.3			
1	COMPLIANT	<i>Provide link or reference to the company's Board Charter and Manual on Corporate Governance relating to its policy on training of directors.</i>	Please see Section II (A) (3) of the attached Manual on Corporate Governance, Annex "B" hereof.
2	COMPLIANT	<i>Provide information or link/reference to a document containing information of the orientation program and trainings of directors for the covered year, including the number of hours attended and topics covered.</i>	Please see Section II (A) (3) of the attached Manual on Corporate Governance. However, since the current members of the board of directors of ALRC are

				non first-time directors, the orientation program was not implemented.
3	The company has relevant annual continuing training for all directors.	PARTIAL COMPLIANCE		<p>In view of its non-operational status and due to the pandemic, no training on corporate governance was sponsored by the ALRC for its directors from January to December 2022.</p> <p>Be that, as it may, Atty. Hazel L. Helmuth, the newly-appointed Corporate Secretary and Compliance Officer was able to attend a corporate governance training, as sponsored by another company. Please see her Certificate of Attendance, Annex "C" hereof.</p>
Recommendation 1.4				
1	The Board has a policy on board diversity.	NON-COMPLIANT	<p><i>Provide information or link/reference to a document containing the company's board diversity policy.</i></p> <p><i>Indicate gender, age and competence composition of the board.</i></p>	<p>In view of its non-operational status, ALRC currently has no formal or written policy on board diversity.</p> <p>At any rate and should there be a change in the status of ALRC, it undertakes to comply with this recommendation.</p> <p>Likewise, please see the Directors', Independent Directors', and Officers' Information, for their gender, age, and competence.</p>
Recommendation 1.5				
1	The Board is assisted by a Corporate Secretary.	COMPLIANT	<p><i>Provide information or link/reference to a document containing information of the Corporate Secretary, including his/her name, qualifications, duties and functions.</i></p>	As of today, 30 June 2023, Atty. Ian Norman E. Dato has ceased to be the Corporate Secretary and Compliance Officer of the Corporation due to his

				<p>resignation. On even date, the Board of Directors appointed Atty. Hazel L. Helmuth as the new Corporate Secretary and Compliance Officer of the Corporation. In view of this most recent development, the Corporation has filed SEC Form 17-C relative to the resignation of Atty. Dato and the appointment of Atty. Helmuth.</p> <p>Please see the attached SEC Form 17-C, Annex "D".</p> <p>The Amended 2022 GIS shall be submitted by the Corporation through the SEC eFAST within seven (7) days from 30 June 2023 or until 7 June 2023.</p>
2	The Corporate Secretary is a separate individual from the Compliance Officer.	NON-COMPLIANT		<p>The position of Corporate Secretary and Compliance Officer remain to be vested in one and the same person due to lack of manpower and the inability of ALRC to bring in more people into the organization in view of its non-operational status.</p>
3	The Corporate Secretary is not a member of the Board of Directors.	COMPLIANT		<p>Please refer to the attached 2022 GIS of ALRC, Annex "E".</p>
4	The Corporate Secretary attends annual training/s on corporate governance.	NON-COMPLIANT	<p><i>Provide information or link/reference to a document containing information of the corporate governance training/s attended, including the date of training, number of hours and topics covered.</i></p>	<p>Atty. Hazel L. Helmuth, the newly-appointed Corporate Secretary and Compliance Officer was able to attend a corporate governance training, as sponsored by another company. Please see Annex "C" hereof.</p>
Recommendation 1.6				
1	The Board is assisted by a Compliance Officer.	COMPLIANT	<p><i>Provide information or link/reference to a document containing information of the</i></p>	<p>The Corporate Secretary is also acting as the Compliance Officer due</p>

			<i>Compliance Officer, including his/her name, position, qualifications, duties and functions.</i>	to lack of manpower and the inability of ALRC to bring in more people into the organization in view of its non-operational status.
2	The Compliance Officer has a rank of Senior Vice-President or an equivalent position with adequate stature and authority in the corporation.	NON-COMPLIANT		The Corporate Secretary is also acting as the Compliance Officer due to lack of manpower and the inability of ALRC to bring in more people into the organization in view of its non-operational status.
3	The Compliance Officer is not a member of the board.	COMPLIANT		Please refer to the attached 2022 GIS of ALRC.
4	The Compliance Officer attends annual training/s on corporate governance.	NON-COMPLIANT	<i>Provide information or link/reference to a document containing information of the corporate governance training/s attended, including the date of the training, number of hours and topics covered.</i>	Atty. Hazel L. Helmuth, the newly-appointed Corporate Secretary and Compliance Officer was able to attend a corporate governance training, as sponsored by another company. Please see Annex "C" hereof.

Principle 2. ESTABLISHING CLEAR ROLES AND RESPONSIBILITIES OF THE BOARD

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

Recommendation 2.1

1	The Directors act on a fully informed basis, in good faith, with due diligence and care, and in the best interest of the company, shareholders and stakeholders.	COMPLIANT	<i>Provide information or reference to a document containing information on how the directors performed their duties (this can include board resolutions and minutes of meetings).</i>	For the year 2022, there was only one special meeting held on 2 May 2022 for the sole purpose of moving the Annual Stockholders’ Meeting from 1 June 2022, as mandated by the Corporation’s Bylaws, to a later date. Please see the attached Minutes of Meeting dated 2 May 2022, Annex "F" .
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Recommendation 2.2

1	The Board oversees the development and approval of the company's business objectives and strategy.	COMPLIANT	<i>Provide information or link/reference to a document containing information on how the directors performed this function (this can include board resolutions and minutes of meetings).</i>	Please see the attached Minutes of Meeting dated 2 May 2022.
2	The Board oversees and monitors the implementation of the company's business objectives and strategy.	COMPLIANT	<i>Indicate frequency of development of business objectives and strategy.</i>	In view of the non-operational status of ALRC, its board of directors convenes only if necessary.
Recommendation 2.3				
1	The Board ensures and adopts an effective succession planning program for directors, key officers and management.	COMPLIANT	<i>Disclose and provide information or link/reference to a document containing the company's succession planning policies and programs and its implementation.</i>	Please see Section III (2) of the attached Manual on Corporate Governance.
2	The Board adopts a policy for the retirement of directors and key officers.	COMPLIANT		Please see Section III (2) of the attached Manual on Corporate Governance.
Recommendation 2.4				
1	The Board aligns the remuneration of key officers and board members with the long-term interests of the company.	COMPLIANT	<i>Provide information or link/reference to a document containing the company's remuneration policy and its implementation, including the relationship between remuneration and performance.</i>	Please see Section III (4) of the attached Manual on Corporate Governance and Article 6, Section 12 of ALRC's Bylaws, Annex "G" hereof.
2	The Board adopts a policy specifying the relationship between remuneration and performance.	COMPLIANT		Please see Section III (4) of the attached Manual on Corporate Governance and Article 6, Section 12 of ALRC's Bylaws.
3	The Directors do not participate in discussions or deliberations involving his/her own remuneration.	COMPLIANT		Please see Section III (4) of the attached Manual on Corporate Governance.
Recommendation 2.5				
1	The Board has a formal and transparent board nomination and election policy.	COMPLIANT	<i>Provide information or reference to a document containing information on the company's nomination and election policy and process and its implementation, including the criteria used in selecting new directors, how the candidates are shortlisted and how it encourages nominations from shareholders.</i>	Please see Section III (4) of the attached Manual on Corporate Governance and Article 6 of ALRC's Bylaws.
2	The Board nomination and election policy is disclosed in the company's Manual on Corporate Governance.	COMPLIANT		Please see Section III (4) of the attached Manual on Corporate Governance.

3	The Board nomination and election policy includes how the company accepted nominations from shareholders/members.	COMPLIANT	<p><i>Provide proof if minority shareholders have a right to nominate candidates to the board.</i></p> <p><i>Provide information if there was an assessment of the effectiveness of the Board's processes in the nomination, election or replacement of a director.</i></p>	<p>Please see Section III (4) of the attached Manual on Corporate Governance.</p> <p>There is no provision as to the nomination of a candidate to the board by minority shareholders.</p>
4	The Board nomination and election policy includes how the board reviews the qualifications of nominated candidates.	COMPLIANT		Please see Section III (4) of the attached Manual on Corporate Governance.
5	The Board nomination and election policy includes an assessment of the effectiveness of the Board's processes in the nomination, election or replacement/removal of a director.	COMPLIANT		<p>Please see Section III (4) of the attached Manual on Corporate Governance.</p> <p>No election was held and no replacement of director took place last January to December 2022; hence, there was no assessment on the effectiveness of the Board's processes in the nomination, election, replacement of a director.</p>
6	The Board has a process for identifying the quality of directors/trustees that is aligned with the strategic direction of the company.	COMPLIANT		Please see Section III (4) of the attached Manual on Corporate Governance.
Recommendation 2.6				
1	The Board has overall responsibility in ensuring that there is a policy and system governing related party transactions (RPTs) and other unusual or infrequently occurring transactions.	COMPLIANT	<p><i>Provide information or reference to a document containing the company's policy on related party transaction, including policy on review and approval of significant RPTs.</i></p>	<p>Please see Section IV (2) (n and o) of the attached Manual on Corporate Governance.</p> <p>No RPT was entered into last January to December 2022.</p>
2	The RPT policy includes appropriate review and approval of material RPTs, which guarantee fairness and transparency of the transactions.	COMPLIANT	<p><i>Identify transactions that were approved pursuant to the policy.</i></p>	<p>Please see IV (2) (n and o) of the attached Manual on Corporate Governance.</p> <p>No RPT was entered into last January to December 2022; hence, there was</p>

				no review and approval done on any RPT.
Recommendation 2.7				
1	The Board is primarily responsible for approving the selection of Management, led by the Chief Executive Officer (CEO) or his/her equivalent, and the heads of the other control functions (Chief Risk Officer, Chief Compliance Officer and Chief Audit Executive, as may be applicable).	COMPLIANT	<p><i>Provide information or reference to a document containing the Board's policy on approving the selection of management.</i></p> <p><i>Identify the Management team appointed.</i></p>	<p>Please see Section III (6) of the attached Manual on Corporate Governance.</p> <p>In view of the inactive status of ALRC, there was no new management team appointed last January to December 2022. The appointment of Atty. Hazel L. Helmuth this 2023 as the Corporate Secretary and Compliance Officer was approved by the Board of Directors.</p>
2	The Board is primarily responsible for assessing the performance of Management, led by the CEO or his/her equivalent and the heads of the other control functions (Chief Risk Officer, Chief Compliance Officer and Chief Audit Executive, as may be applicable).	COMPLIANT	<p><i>Provide information or reference to a document containing the Board's policy on assessing the performance of management.</i></p> <p><i>Provide information on the assessment process and indicate frequency of assessment of performance.</i></p>	<p>Please see Section III (6) of the attached Manual on Corporate Governance.</p> <p>In view of the inactive status of ALRC and in view of the limited personnel thereof, the assessment of performance is being held in abeyance.</p>
Recommendation 2.8				
1	The Board establishes an effective performance evaluation framework that includes a standard or criteria for assessment and ensures that Management's performance is on par with the standards set by the Board and Senior Management.	COMPLIANT	<p><i>Provide information or link/reference to a document containing the Board's performance evaluation framework for management and personnel.</i></p>	<p>Please see Section III (7) of the attached Manual on Corporate Governance.</p> <p>Please see Section III (7) of the attached Manual on Corporate Governance.</p>
2	The Board establishes an effective performance evaluation framework that includes a standard or criteria for assessment and ensures that personnel's performance is on par with the standards set by the Board and Senior Management.	COMPLIANT		

Recommendation 2.9				
1	The Board ensures that an appropriate internal control system is in place.	COMPLIANT	<i>Provide information or link/reference to a document showing the Board's responsibility in ensuring that an appropriate internal control system is in place, and what comprises the internal control system.</i>	Please see Section III (8) of the attached Manual on Corporate Governance.
2	The internal control system includes a mechanism for monitoring and managing potential/actual conflicts of interest of the board members/trustees, management and shareholders/members.	COMPLIANT		Please see Section III (8) of the attached Manual on Corporate Governance.
3	The Board adopts an Internal Audit Charter.	NON-COMPLIANT	<i>Provide reference or link to the company's Internal Audit Charter.</i>	In view of its non-operational status and lack of personnel, ALRC has yet to adopt an Internal Audit Charter. At any rate and should there be a change in the status of ALRC, it undertakes to comply with this recommendation.
Recommendation 2.10				
1	The Board ensures that the company has in place a sound enterprise risk management (ERM) framework to effectively identify, monitor, assess and manage key business risks.	COMPLIANT	<i>Provide information or link/reference to a document showing the Board's oversight responsibility on the establishment of a sound enterprise risk management framework and how the board was guided by the framework.</i> <i>Provide proof of effectiveness of risk management strategies, if any.</i>	Please see Section III (9) of the attached Manual on Corporate Governance. In view of its non-operational status and lack of personnel, ALRC has yet to test the effectivity of its ERM framework. At any rate and should there be a change in the status of ALRC, it undertakes to comply with this recommendation.
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		Please see Section III (9) of the attached Manual on Corporate Governance.
Recommendation 2.11				

1	The Board has a Board Charter that formalizes and clearly states its roles, responsibilities and accountabilities in carrying out its fiduciary duties.	NON-COMPLIANT		<p>Pursuant to Section III (10) of the attached Manual on Corporate Governance, the Board has the option to execute a Board Charter.</p> <p>However, in view of its non-operational status and lack of personnel, ALRC has yet to do so.</p> <p>At any rate and should there be a change in the status of ALRC, it undertakes to comply with this recommendation.</p>
2	The Board Charter serves as a guide to the directors/trustees in the performance of their functions.	NON-COMPLIANT	<p><i>Provide link to the company's website where the Board Charter is disclosed and/or other proof that it is publicly available.</i></p>	<p>Pursuant to Section III (10) of the attached Manual on Corporate Governance, the Board has the option to execute a Board Charter.</p> <p>However, in view of its non-operational status and lack of personnel, ALRC has yet to do so.</p> <p>At any rate and should there be a change in the status of ALRC, it undertakes to comply with this recommendation.</p>
3	The Board Charter is publicly available.	NON-COMPLIANT		<p>Pursuant to Section III (10) of the attached Manual on Corporate Governance, the Board has the option to execute a Board Charter.</p> <p>However, in view of its non-operational status and lack of personnel, ALRC has yet to do so.</p> <p>At any rate and should there be a change in the status of ALRC, it</p>

undertakes to comply with this recommendation.

Principle 3. ESTABLISHING BOARD COMMITTEES

The board committees should be set up to the extent possible to support the effective performance of the Board’s functions, particularly with respect to audit, risk management, 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.

Recommendation 3.1

1	The Board establishes board committees that focus on specific board functions to aid in the optimal performance of its roles and responsibilities.	NON-COMPLIANT	<p><i>Provide information or link/reference to a document containing information of all board committees established by the company.</i></p>	<p>Pursuant to Section IV of the attached Manual on Corporate Governance, the Board may establish board committees that focus on specific board functions to aid in the optimal performance of its roles and responsibilities.</p> <p>However, in view of its non-operational status and lack of personnel, ALRC has yet to do so.</p> <p>At any rate and should there be a change in the status of ALRC, it undertakes to comply with this recommendation.</p>
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Recommendation 3.2

1	The Board establishes an Audit Committee to enhance its oversight capability over the company’s financial reporting, internal control system, internal and external audit processes, and compliance with applicable laws and regulations.	COMPLIANT	<p><i>Provide information or link/reference to a document containing information of the Audit Committee, including its functions.</i></p> <p><i>Indicate if it is the Audit Committee’s responsibility to recommend the appointment and removal of the company’s external auditor.</i></p>	<p>Please see Section IV (2) of the attached Manual on Corporate Governance and Article 6, Section 13 of its Bylaws.</p> <p>Per Section IV (2) of the attached Manual on Corporate Governance, the Audit Committee recommends to the Board the appointment, reappointment, removal and fees of the External Auditor and, per Article</p>
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				6, Section 13 of its Bylaws, the Audit Committee shall, among others, consider the appointment of an external auditor and any question of resignation or dismissal.
2	The Audit Committee is composed of at least three (3) qualified non-executive directors, the majority of whom, including the Chairperson, are independent directors.	COMPLIANT	<i>Provide information or link/reference to a document containing information of the members of the Audit Committee, including their qualifications and type of directorship.</i>	Please see Section IV (2) of the attached Manual on Corporate Governance and Article 6, Section 13 of its Bylaws.
3	All the members of the committee have relevant background, knowledge, skills, and/or experience in the areas of accounting, auditing and finance.	COMPLIANT	<i>Provide information or link/reference to a document containing information on the background, knowledge, skills, and/or experience of the members of the Audit Committee.</i>	The current Chairman of the Audit Committee is Ms. Cherry T. Rocha and the members are Ms. Teresa Secuya and Ms. Lony Capellan. Please see the Directors', Independent Directors', and Officers' Information for their background, knowledge, skills, and/or experience.
4	The Chairperson of the Audit Committee is not the Chairperson of the Board or of any other committee.	COMPLIANT	<i>Provide information or link/reference to a document containing information of the Chairperson of the Audit Committee.</i>	Ms. Rocha is not holding any other chairmanship position. Please refer to the attached 2022 GIS.
Recommendation 3.3				
1	The Board establishes a Corporate Governance Committee tasked to assist the Board in the performance of its corporate governance responsibilities, including the functions that were formerly assigned to a Nomination and Remuneration Committee.	NON-COMPLIANT	<i>Provide information or reference to a document containing information of the Corporate Governance Committee, including its functions.</i> <i>Indicate if the Committee undertook the process of identifying the quality of directors aligned with the company's strategic direction, if applicable.</i>	Please see Section IV (3) of the attached Manual on Corporate Governance. Per Section IV (3) of the attached Manual on Corporate Governance, 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 a Nomination and Remuneration Committee.

				<p>However, in view of its non-operational status and lack of personnel, ALRC has yet to do so.</p> <p>At any rate and should there be a change in the status of ALRC, it undertakes to comply with this recommendation.</p>
2	The Corporate Governance Committee is composed of at least three (3) members, majority of whom, including the Chairperson, should be independent directors.	NON-COMPLIANT	<p><i>Provide information or link/reference to a document containing information of the members of the Corporate Governance Committee, including their qualifications and type of directorship.</i></p>	<p>In view of its non-operational status and lack of personnel, ALRC has yet to establish its Corporate Governance Committee.</p> <p>At any rate and should there be a change in the status of ALRC, it undertakes to comply with this recommendation.</p>
Recommendation 3.4				
1	The Board establishes a separate Board Risk Oversight Committee (BROC) that should be responsible for the oversight of a company's Enterprise Risk Management system to ensure its functionality and effectiveness.	COMPLIANT	<p><i>Provide information or link/reference to a document containing information of the Board Risk Oversight Committee (BROC), including its functions</i></p>	<p>Pursuant to Section IV (2) (p) of the attached Manual on Corporate Governance, the Audit Committee shall likewise perform the functions of the BROC.</p>
2	The BROC is composed of at least three (3) members, the majority of whom should be independent directors, including the Chairperson.	NON-COMPLIANT	<p><i>Provide information or link/reference to a document containing information of the members of the BROC, including their qualifications and type of directorship.</i></p>	<p>In view of its non-operational status, ALRC has yet to hold its Annual Stockholders' Meeting (ASM) where the new directors and independent directors shall be elected.</p> <p>ALRC undertakes to comply with this recommendation as soon as it is able to hold its ASM.</p>
3	At least one member of the BROC has relevant thorough knowledge and experience on risk and risk management.	COMPLIANT	<p><i>Provide information or link/reference to a document containing information on the background, skills, and/or experience of the members of the BROC.</i></p>	<p>Please see the background, skills, and/or experience of Ms. Rocha.</p>

Recommendation 3.5				
1	All established committees have a Committee Charter stating in plain terms their respective purposes, memberships, structures, operations, reporting process, resources and other relevant information.	NON-COMPLIANT	<p><i>Provide information or link/reference to the company's committee charters, containing all the required information, particularly the functions of the Committee that is necessary for performance evaluation purposes.</i></p>	<p>In view of its non-operational status and lack of personnel, ALRC has yet to establish any committee charter.</p> <p>At any rate and should there be a change in the status of ALRC, it undertakes to comply with this recommendation.</p>
2	The Committee Charters provide standards for evaluating the performance of a committee and its members.	NON-COMPLIANT		<p>In view of its non-operational status and lack of personnel, ALRC has yet to establish any committee charter.</p> <p>At any rate and should there be a change in the status of ALRC, it undertakes to comply with this recommendation.</p>

Principle 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.

Recommendation 4.1

1	The Directors 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.	COMPLIANT	<p><i>Provide information or link/reference to a document containing the process and procedure for tele/videoconferencing board and/or committee meetings.</i></p> <p><i>Provide information or link/reference to a document containing the attendance and participation of directors to Board, Committee and shareholders' meetings.</i></p>	ALRC does not have its own written procedure for tele/videoconferencing board meeting but it complies with SEC Memorandum Circular No. 6, Series of 2020 (Guidelines on the Attendance and Participation of Directors, Trustees, Stockholders, Members, and Other Persons or Corporations in Regular and Special Meetings Through Teleconferencing, Video Conferencing and Other Remote or Electronic Means of Communication).
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				For the year 2022, only one (1) board meeting was held by the members of the board of directors. Please refer to the Secretary's Certificate attesting to the attendance of the directors in the said board meetings last 2022, Annex "H" hereof.
2	The Directors review meeting materials for all Board and Committee meetings.	COMPLIANT		As the directors are provided with the meeting materials prior to the Board meetings, it is incumbent upon them to read and review the same.
3	The Directors ask the necessary questions or seek clarifications and explanations during the Board and Committee meetings.	COMPLIANT	<i>Provide information or link/reference to a document containing information on any questions raised or clarification/explanation sought by the directors</i>	Since the matter taken up during the board meeting basically relates to the postponement of ASM, no question or clarification was asked during the meeting.
Recommendation 4.2				
1	Non-executive directors concurrently serve in not more than ten (10) public companies and/or registered issuers. If concurrently sitting in at least three (3) publicly listed companies, the maximum concurrent directorships shall be five (5) public companies and/or registered issuers.	NON-COMPLIANT	<i>Disclose if the company has a policy setting the limit of board seats that a non-executive director can hold simultaneously.</i> <i>Provide information or reference to a document containing information on the directorships of the company's directors in listed companies, registered issuers and public companies.</i>	ALRC shall revise its Manual on Corporate Governance to comply with this recommendation.
Recommendation 4.3				
1	The Directors notify the company's board before accepting a directorship in another company.	NON-COMPLIANT	<i>Provide copy of/reference to the written notification to the board or minutes of board meeting wherein the matter was discussed.</i>	ALRC shall revise its Manual on Corporate Governance to comply with this recommendation.
Principle 5. REINFORCING BOARD INDEPENDENCE				
The Board should endeavor to exercise an objective and independent judgment on all corporate affairs.				
Recommendation 5.1				

1	The Board is composed of a majority of non-executive directors who possess the necessary qualifications.	COMPLIANT	<i>Identify or provide link/reference to a document identifying the directors, the type of their directorships and their qualifications.</i>	Please see the 2022 GIS and the Directors' and Independent Directors' Information.
Recommendation 5.2				
1	The Board has at least two (2) independent directors or such number as to constitute one-third (1/3) of the board, whichever is higher.	COMPLIANT	<i>Provide information or link/reference to a document containing the number of independent directors in the board.</i>	Please see Section VI (1) of the attached Manual on Corporate Governance and Article 6, Section 3 of the Bylaws.
Recommendation 5.3				
1	The independent directors possess all the qualifications and none of the disqualifications to hold the position.	COMPLIANT	<i>Provide information or link/reference to a document containing the qualifications of independent directors.</i>	Please see the Directors', Independent Directors', and Officers' Information for their background, knowledge, skills, and/or experience.
Recommendation 5.4				
1	The company perpetually bars an independent director from serving in such capacity after the term limit of nine (9) years.	COMPLIANT	<i>Provide information or link/reference to a document containing the company's policy on term limits for its independent director.</i>	Please see Section VI (2) (b) of the attached Manual on Corporate Governance
2	In the instance that the company retains an independent director in the same capacity after nine (9) years, the Board provides meritorious justification and seeks shareholders'/members' approval during the annual regular meeting.	COMPLIANT	<i>Provide reference to the meritorious justification and proof of shareholders'/members' approval during the annual regular meeting.</i>	To date, no independent director is serving for more than nine (9) years.
Recommendation 5.5				
1	The positions of Chairperson of the Board and Chief Executive Officer (or its equivalent) are held by separate individuals.	NON-COMPLIANT	<i>Identify the company's Chairperson of the Board and Chief Executive Officer (or its equivalent).</i>	The Chairman of the Board is also acting as the President due to lack of manpower and the inability of ALRC to bring in more people into the organization in view of its non-operational status.
2	The Chairperson of the Board and Chief Executive Officer (or its equivalent) have clearly defined responsibilities.	COMPLIANT	<i>Provide information or link/reference to a document containing the roles and responsibilities of the Chairperson of the Board and Chief Executive Officer (or its equivalent). Identify the relationship of the Chairperson and CEO.</i>	Please see the 2022 GIS.
Recommendation 5.6				

1	The Board designates a lead director among the independent directors if the Chairperson of the Board is not an independent director.	NON-COMPLIANT	<i>Provide information or link/reference to a document containing information on a lead independent director and his roles and responsibilities, if any. Indicate if Chairperson is an independent director.</i>	Please see Section VI (5) of the attached Manual on Corporate Governance. However, ALRC has yet to hold its ASM. It will comply with this recommendation once it is able to hold its ASM.
Recommendation 5.7				
1	The Directors/Trustees with material interest in a transaction affecting the corporation fully disclose his/her adverse interest, abstain from taking part in the deliberations for the same, and recuse from voting on the approval of transaction.	COMPLIANT	<i>Provide proof of full disclosure and abstention, if any, of the interested director/trustee.</i>	Please see Section VI (6) of the attached Manual on Corporate Governance. There is no available proof of full disclosure and abstention as the situation is yet to arise.
Recommendation 5.8				
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 directors present.	NON-COMPLIANT	<i>Provide proof and details of said meeting, if any. Provide information on the frequency and attendees of meetings.</i>	In view of its non-operational status and lack of personnel, ALRC's non-executive directors (NEDs) have yet to meet with the external auditor and heads of the internal audit, compliance, and risk functions. At any rate and should there be a change in the status of ALRC, it undertakes to comply with this recommendation.
2	The meetings are chaired by the lead independent director, if applicable.	NON-COMPLIANT		In view of its non-operational status and lack of personnel, ALRC's non-executive directors (NEDs) have yet to meet with the external auditor and heads of the internal audit, compliance, and risk functions. At any rate and should there be a change in the status of ALRC, it

undertakes to comply with this recommendation.

Principle 6. ASSESSING BOARD PERFORMANCE

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

Recommendation 6.1

1	The Board conducts an annual self-assessment of its performance as a whole.	COMPLIANT on the existence of the policy; NON-COMPLIANT on practical application		<p>Please see Section VII of the attached Manual on Corporate Governance.</p> <p>However, in view of its non-operational status, the board of directors of ALRC has yet to conduct its annual self-assessment.</p> <p>At any rate and should there be a change in the status of ALRC, it undertakes to comply with this recommendation.</p>
2	The Chairperson conducts an annual self-assessment of his performance.	COMPLIANT on the existence of the policy; NON-COMPLIANT on practical application	<p><i>Provide proof of self-assessments conducted by the whole board, the individual members, the Chairperson and the Committees.</i></p>	<p>Please see Section VII of the attached Manual on Corporate Governance.</p> <p>However, in view of its non-operational status, the Chairman of ALRC has yet to conduct her annual self-assessment.</p> <p>At any rate and should there be a change in the status of ALRC, it undertakes to comply with this recommendation.</p>
3	The individual members conduct a self-assessment of their performance.	COMPLIANT on the existence of the policy; NON-COMPLIANT on practical application		<p>Please see Section VII of the attached Manual on Corporate Governance.</p> <p>However, in view of its non-operational status, the individual</p>

				<p>member of the board of directors of ALRC has yet to conduct their annual self-assessment.</p> <p>At any rate and should there be a change in the status of ALRC, it undertakes to comply with this recommendation.</p>
4	Each committee conducts a self-assessment of its performance.	COMPLIANT on the existence of the policy; NON-COMPLIANT on practical application		<p>Please see Section VII of the attached Manual on Corporate Governance.</p> <p>However, in view of its non-operational status, the existing committees of ALRC has yet to conduct their annual self-assessment.</p> <p>At any rate and should there be a change in the status of ALRC, it undertakes to comply with this recommendation.</p>

Recommendation 6.2

1	The Board has in place a system that provides, at the minimum, criteria and process to determine the performance of the Board, individual directors/trustees and committees.	COMPLIANT	<i>Provide information or link/reference to a document containing information on the system of the company to evaluate the performance of the board, individual directors and committees, including a feedback mechanism from shareholders/members.</i>	Please see Section VII of the attached Manual on Corporate Governance.
2	The system allows for a feedback mechanism from the shareholders/members.	COMPLIANT	<i>Provide information or link/reference to a document containing information on the system of the company to evaluate the performance of the board, individual directors and committees, including a feedback mechanism from shareholders/members.</i>	Please see Section VII of the attached Manual on Corporate Governance.

Principle 7. STRENGTHENING BOARD ETHICS

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

Recommendation 7.1

1	<p>The Board adopts a Code of Business Conduct and Ethics, which provide standards for professional and ethical behavior, as well as articulate acceptable and unacceptable conduct and practices in internal and external dealings of board members.</p>	NON-COMPLIANT	<p><i>Provide information or link/reference to the company's Code of Business Conduct and Ethics.</i></p>	<p>Section VIII of the attached Manual on Corporate Governance provides that the Board may adopt a Code of Business Conduct and Ethics, which will provide standards for professional and ethical behavior, as well as articulate acceptable and unacceptable conduct and practices in internal and external dealings of Board Directors.</p> <p>However, in view of its non-operational status and lack of personnel, ALRC has yet to adopt a Code of Business Conduct and Ethics.</p> <p>At any rate and should there be a change in the status of ALRC, it undertakes to comply with this recommendation.</p>
2	<p>The Code is properly disseminated to the members of Board.</p>	NON-COMPLIANT	<p><i>Provide information or discuss how the company disseminated the Code to the members of the Board.</i></p>	<p>Section VIII of the attached Manual on Corporate Governance provides that the Board may adopt a Code of Business Conduct and Ethics, which will provide standards for professional and ethical behavior, as well as articulate acceptable and unacceptable conduct and practices in internal and external dealings of Board Directors.</p> <p>However, in view of its non-operational status, ALRC has yet to adopt a Code of Business Conduct and Ethics.</p>

				At any rate and should there be a change in the status of ALRC, it undertakes to comply with this recommendation.
3	The Code is disclosed and made available to the public through the company website.		<i>Provide a link to the company's website where the Code of Business Conduct and Ethics is posted/ disclosed.</i>	<p>Section VIII of the attached Manual on Corporate Governance provides that the Board may adopt a Code of Business Conduct and Ethics, which will provide standards for professional and ethical behavior, as well as articulate acceptable and unacceptable conduct and practices in internal and external dealings of Board Directors.</p> <p>However, in view of its non-operational status, ALRC has yet to adopt a Code of Business Conduct and Ethics.</p> <p>At any rate and should there be a change in the status of ALRC, it undertakes to comply with this recommendation.</p>
Recommendation 7.2				
1	The Board ensures the proper and efficient implementation and monitoring of compliance with the Code of Business Conduct and Ethics.		<p><i>Provide proof of implementation and monitoring of compliance with the Code of Business Conduct and Ethics.</i></p> <p><i>Indicate who are required to comply with the Code of Business Conduct and Ethics and any findings on non-compliance.</i></p>	Section VIII of the attached Manual on Corporate Governance provides that the Board may adopt a Code of Business Conduct and Ethics, which will provide standards for professional and ethical behavior, as well as articulate acceptable and unacceptable conduct and practices in internal and external dealings of Board Directors.
		NON-COMPLIANT		

				<p>However, in view of its non-operational status, ALRC has yet to adopt a Code of Business Conduct and Ethics.</p> <p>At any rate and should there be a change in the status of ALRC, it undertakes to comply with this recommendation.</p>
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DISCLOSURE AND TRANSPARENCY

Principle 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.

Recommendation 8.1

1	<p>The Board establishes corporate disclosure policies and procedures to ensure a comprehensive, accurate, reliable and timely report to shareholders/members and other stakeholders that gives a fair and complete picture of a company’s financial condition, results and business operations.</p>			<p>Section IX of the attached Manual on Corporate Governance provides that the Board may establish 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 the Corporation’s financial condition, results, and business operations.</p> <p>However, in view of its non-operational status and lack of personnel, ALRC has yet to establish such corporate disclosure policies and procedures.</p> <p>At any rate and should there be a change in the status of ALRC, it undertakes to comply with this recommendation.</p>
		NON-COMPLIANT	<p><i>Provide information or link/reference to the company’s disclosure policies and procedures including reports distributed/made available to shareholders/members and other stockholders.</i></p>	

Recommendation 8.2				
1	The company has a policy requiring all directors to disclose/report to the company any dealings in the company's shares within five (5) business days.			<p>Section IX of the attached Manual on Corporate Governance provides that the Board may likewise have a policy requiring all directors and officers to disclose/report to the Corporation any dealings in the Corporation's shares by the said directors and officers within five (5) business days</p> <p>However, in view of its non-operational status, ALRC has yet to establish such company policy.</p> <p>At any rate and should there be a change in the status of ALRC, it undertakes to comply with this recommendation.</p>
		NON-COMPLIANT	<i>Provide information or link/reference to the company's policy requiring directors and officers to disclose their dealings in the company's shares.</i>	
2	The company has a policy requiring all officers to disclose/report to the company any dealings in the company's shares within five (5) business days.			<p>Section IX of the attached Manual on Corporate Governance provides that the Board may likewise have a policy requiring all directors and officers to disclose/report to the Corporation any dealings in the Corporation's shares by the said directors and officers within five (5) business days.</p> <p>However, in view of its non-operational status, ALRC has yet to establish such company policy.</p> <p>At any rate and should there be a change in the status of ALRC, it undertakes to comply with this recommendation.</p>
		NON-COMPLIANT	<i>Indicate actual dealings of directors involving the corporation's shares including their nature, number/percentage and date of transaction.</i>	
Recommendation 8.3				

1	The company's corporate governance policies, programs and procedures are contained in its Manual on Corporate Governance (MCG).	COMPLIANT		Please see the attached Manual on Corporate Governance.
2	The company's MCG is submitted to the SEC.	COMPLIANT	<i>Provide link to the company's website where the Manual on Corporate Governance is posted.</i>	Please see the proof of filing and acknowledgment receipt form the SEC, as attached to the Manual on Corporate Governance.
3	The company's MCG is posted on the company website.	COMPLIANT		Please visit: http://azaleavacationclub.com/images/news/Corporate%20Governance%20Manual.pdf

Recommendation 8.4

1	The company's corporate governance policies and practices and all relevant information are disclosed in its Annual Corporate Governance Report (ACGR).	COMPLIANT	<i>Provide link to the company's website where the Annual Corporate Governance Report is posted.</i>	Please see this ACGR.
2	The company's ACGR is submitted to the SEC.	COMPLIANT		This ACGR is intended to be submitted to the SEC.
3	The company's ACGR is posted on the company website.	COMPLIANT		This ACGR is intended to be posted on the company website after being submitted to the SEC. Please visit: http://azaleavacationclub.com/

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

The company should establish standards for the appropriate selection of an external auditor, and exercise effective oversight of the same to strengthen the external auditor's independence and enhance audit quality.

Recommendation 9.1

1	The Audit Committee has a robust process for approving and recommending the appointment, reappointment, removal, and fees of external auditors.	COMPLIANT	<i>Provide information or link/reference to a document containing the process for approving and recommending the appointment, reappointment, removal and fees of the company's external auditor.</i>	Please see Section X of the attached Manual on Corporate Governance.
2	The appointment, reappointment, removal, and fees of the external auditor is recommended by the Audit	COMPLIANT	<i>Indicate the percentage of shareholders that ratified the appointment, reappointment, removal and fees of the external auditor.</i>	Please see Section X of the attached Manual on Corporate Governance

	Committee, approved by the Board and the shareholders/members.			
3	For the removal of external auditor, the reasons for such removal or change are disclosed to the SEC, the shareholders/members, and the public through the company website and required disclosures.	COMPLIANT	<i>Provide information or link/reference to a document containing the company's reason for removal or change of external auditor.</i>	Please see Section X of the attached Manual on Corporate Governance
Recommendation 9.2				
1	The Audit Committee Charter includes the Audit Committee's responsibility on: i. assessing the integrity and independence of external auditors; ii. exercising effective oversight to review and monitor the external auditor's independence and objectivity; and iii. exercising effective oversight to review and monitor the effectiveness of the audit process, taking into consideration relevant Philippine professional and regulatory requirements.	NON-COMPLIANT	<i>Provide link/reference to the company's Audit Committee Charter.</i>	In view of its non-operational status and lack of personnel, ALRC has yet to establish any committee charter. At any rate and should there be a change in the status of ALRC, it undertakes to comply with this recommendation.
2	The Audit Committee Charter contains the Committee's responsibility on reviewing and monitoring the external auditor's suitability and effectiveness on an annual basis.	NON-COMPLIANT		In view of its non-operational status and lack of personnel, ALRC has yet to establish any committee charter. At any rate and should there be a change in the status of ALRC, it undertakes to comply with this recommendation.
Recommendation 9.3				
1	The company discloses the nature of non-audit services performed by its external auditor in the Annual Report to manage potential conflict of interest cases.	COMPLIANT	<i>Disclose the nature of non-audit services performed by the external auditor, if any.</i>	Please see Section IV (2) (g) and Section X (1) of the attached Manual on Corporate Governance. To date, the external auditor has not performed any non-audit work.

2	The Audit Committee stays alert for any potential conflict of interest situations, given the guidelines or policies on non-audit services, which could be viewed as impairing the external auditor's objectivity.	COMPLIANT	Provide link or reference to guidelines or policies on non-audit services.	<p>Section X (1) of the attached Manual on Corporate Governance provides that 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.</p> <p>In view of its non-operational status and lack of personnel, the Audit Committee has yet to establish any guideline or policy on non-audit services.</p> <p>At any rate and should there be a change in the status of ALRC, it undertakes to comply with this recommendation.</p>
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Principle 10. INCREASING FOCUS ON NON-FINANCIAL AND SUSTAINABILITY REPORTING

The Board should ensure that the company discloses material and reportable non-financial and sustainability issues.

Recommendation 10.1

1	The Board has a clear and focused strategy on the disclosure of non-financial information.	NON-COMPLIANT	Disclose or provide link to the company's policies and practices on the disclosure of non-financial information, including EESG issues.	<p>Section XI (1) of the attached Manual on Corporate Governance provides that ALRC shall have a clear and focused strategy on the disclosure of non-financial information.</p> <p>In view of its non-operational status and lack of personnel, the Board has yet to establish any policy or practice on non-financial information, including EESG issues.</p>
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				At any rate and should there be a change in the status of ALRC, it undertakes to comply with this recommendation.
2	The company discloses to all shareholders/members and other stakeholders the company's strategic and operational objectives with emphasis on the management of environmental, economic, social and governance (EESG) issues of its business which underpin sustainability.			Section XI (1) of the attached Manual on Corporate Governance provides that ALRC shall disclose to all shareholders and other stakeholders the Corporation'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. In view of its non-operational status and lack of personnel, the Board has yet to disclose any strategic and operational objective. At any rate and should there be a change in the status of ALRC, it undertakes to comply with this recommendation.
		NON-COMPLIANT	<i>Provide link or reference to the company's disclosure of strategic and operational objectives, with emphasis on EESG matters.</i>	

Principle 11. PROMOTING A COMPREHENSIVE AND COST-EFFICIENT ACCESS TO RELEVANT INFORMATION

The company should maintain a comprehensive and cost-efficient communication channel for disseminating relevant information. This channel is crucial for an informed decision-making by investors, stakeholders and other interested users.

Recommendation 11.1

1	The company has a website to ensure a comprehensive, cost-efficient, transparent and timely manner of disseminating relevant information to the public.	COMPLIANT	<i>Provide link to the company's website.</i>	Please visit: http://azaleavacationclub.com/
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INTERNAL CONTROL AND RISK MANAGEMENT FRAMEWORKS

Principle 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.

Recommendation 12.1

1	The company has an adequate and effective internal control system in the conduct of its business.	NON-COMPLIANT	<p><i>List quality service programs for the internal audit functions.</i></p> <p><i>Indicate frequency of review of the internal control system.</i></p>	<p>Section XIII (1) of the attached Manual on Corporate Governance provides that ALRC may opt to 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.</p> <p>In view of its non-operational status and lack of personnel, the Board has yet to establish any service program for the internal audit control system.</p> <p>At any rate and should there be a change in the status of ALRC, it undertakes to comply with this recommendation.</p>
2	The company has an adequate and effective enterprise risk management framework in the conduct of its business.	NON-COMPLIANT	<p><i>Identify international framework used for Enterprise Risk Management.</i></p> <p><i>Provide information or reference to a document containing information on:</i></p> <ol style="list-style-type: none"> <i>1. Company's risk management procedures and processes.</i> <i>2. Key risks the company is currently facing.</i> <i>3. How the company manages the key risks.</i> <p><i>Indicate frequency of review of the enterprise risk management framework.</i></p>	<p>Section XIII (1) of the attached Manual on Corporate Governance provides that ALRC may opt to 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.</p> <p>In view of its non-operational status and lack of personnel, the Board has</p>

				<p>yet to establish any risk management framework.</p> <p>At any rate and should there be a change in the status of ALRC, it undertakes to comply with this recommendation.</p>
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Recommendation 12.2

1	The company has in place an independent internal audit function that provides an independent and objective assurance, and consulting services designed to add value and improve the company's operations.	COMPLIANT	<i>Disclose if the internal audit is in-house or outsourced. If outsourced, identify external firm hired.</i>	The external auditor of ALRC is Hagonia, Sze & Co., with Mr. Anito Leong as the signing partner.
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CULTIVATING A SYNERGIC RELATIONSHIP WITH SHAREHOLDERS/MEMBERS

Principle 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.

Recommendation 13.1

1	The Board ensures that basic shareholder/member rights are disclosed in the Manual on Corporate Governance.	COMPLIANT	<i>Provide link or reference to the company's Manual on Corporate Governance where shareholders'/members' rights are disclosed.</i>	Please see Section XIV (1) of the attached Manual on Corporate Governance.
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Recommendation 13.2

1	The Board encourages active shareholder participation by sending the Notice of Annual and Special Shareholders'/Members' Meeting with sufficient and relevant information at least twenty-one (21) days before the meeting.	NON-COMPLIANT	<i>Indicate the number of days before the annual or special stockholders'/members' meeting when the notice and agenda were sent out.</i> <i>Provide link to the Agenda included in the company's Information Statement (SEC Form 20-IS).</i>	<p>Article 5, Section 4 of ALRC's Bylaws provides that notices for regular and special meetings of shareholders may be sent by personal delivery, by mail at least 2 weeks prior to the date of the meeting, or by publication in a newspaper of general circulation.</p> <p>ALRC has not filed its SEC Form 20-IS and did not hold an ASM last 2022.</p>
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Recommendation 13.3

1	The Board encourages active shareholder/member participation by making the result of the votes taken during the most recent Annual or Special Shareholders'/Members' Meeting publicly available the next working day.	NON-COMPLIANT	<p><i>Provide information or reference to a document containing all relevant questions raised and answers during the ASM and special meeting and the results of the vote taken during the most recent ASM/SSM.</i></p>	<p>Section XIV (2) of the attached Manual on Corporate Governance provides that the result of the votes on matters taken during the most recent Annual or Special Shareholders' Meeting shall be reported to the SEC thru SEC Form 17-A. In addition, the Minutes of the Annual and Special Shareholders' Meeting may be made available upon written request to the common shareholder.</p> <p>ALRC did not hold an ASM last 2022.</p>
2	The minutes of the Annual and Special Shareholders'/Members' Meetings were made available on the company website within five (5) business days from the date of the meeting.	NON-COMPLIANT	<p><i>Provide link to minutes of meeting in the company website.</i></p> <p><i>Indicate voting results for all agenda items, including the approving, dissenting and abstaining votes.</i></p> <p><i>Indicate also if the voting on resolutions was by poll.</i></p> <p><i>Include whether there was opportunity to ask question and the answers given, if any.</i></p>	<p>Section XIV (2) of the attached Manual on Corporate Governance provides that the result of the votes on matters taken during the most recent Annual or Special Shareholders' Meeting shall be reported to the SEC thru SEC Form 17-A. In addition, the Minutes of the Annual and Special Shareholders' Meeting may be made available upon written request to the common shareholder.</p> <p>ALRC did not hold an ASM last 2022.</p>
Recommendation 13.4				
1	The Board makes available, at the option of a shareholder/member, an alternative dispute mechanism to resolve intra-corporate disputes in an amicable and effective manner.	NON-COMPLIANT	<p><i>Provide details of the alternative dispute resolution made available to resolve intra-corporate disputes.</i></p> <p><i>Provide link/reference to where it is found in the Manual on Corporate Governance.</i></p>	<p>Section XIV (3) of the attached Manual on Corporate Governance provides that the Board may make available, at the option of a shareholder, an alternative dispute mechanism to resolve intra-corporate disputes in an amicable and effective manner.</p>

				<p>In view of its non-operational status and lack of personnel, the Board has yet to come up with such an alternative dispute mechanism.</p> <p>At any rate and should there be a change in the status of ALRC, it undertakes to comply with this recommendation.</p>
Recommendation 13.5				
1	The Board establishes an Investor Relations Office (IRO) or Customer Relations Office (CRO) or its equivalent to ensure constant engagement with its shareholders/members.		<p><i>Disclose the contact details of the officer/office responsible for investor relations, such as:</i></p> <ol style="list-style-type: none"> 1. <i>Name of the person</i> 2. <i>Telephone number</i> 3. <i>Fax number</i> 4. <i>E-mail address</i> 	<p>Section XIV (4) of the attached Manual on Corporate Governance provides that the Board may establish an Investor Relations Office (“IRO”) or Customer Relations Office (“CRO”) or its equivalent to ensure constant engagement and communication with its shareholders. The IRO or CRO or its equivalent shall be present at every shareholders’ meeting.</p> <p>In view of its non-operational status and lack of personnel, only one person handles the investor/customer relations of ALRC.</p> <p>The current investor/customer relations officer of ALRC is Jubel Sofla and may be reached through:</p> <p>Tel. No. : 09175127913 Fax No. : N/A Email Address : customercare@azaleavacationclub.com</p>
		COMPLIANT		

2	The IRO or CRO or its equivalent is present at every shareholders'/members' meeting.	NON-COMPLIANT	<i>Indicate if the IRO or CRO or its equivalent was present during the ASM.</i>	ALRC did not hold its ASM last 2022.
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DUTIES TO STAKEHOLDERS

Principle 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.

Recommendation 14.1

1	The Board identifies the company's various stakeholders and promotes cooperation between them and the company in creating wealth, growth and sustainability.	NON-COMPLIANT	<i>Identify the company's stakeholders and provide information or reference to a document containing the company's policies and programs for its stakeholders.</i>	<p>Section XV of the attached Manual on Corporate Governance provides that the Corporation's stakeholders include its customers, resource providers, creditors, and the community in which it operates and, hence, fair, professional and objective dealings as well as clear, timely and regular communication with the various stakeholders ensure fair treatment and better protection of their rights.</p> <p>In view of its non-operational status and lack of personnel, the Board has yet to come up with a formal policy or program for its stakeholders.</p> <p>At any rate and should there be a change in the status of ALRC, it undertakes to comply with this recommendation.</p>
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Recommendation 14.2

1	The Board establishes clear policies and programs to provide a mechanism on the fair treatment, protection and enforcement of the rights of stakeholders.	NON-COMPLIANT	<i>Identify policies and programs for the protection, fair treatment and enforcement of the rights of the company's stakeholders.</i>	Section XV of the attached Manual on Corporate Governance provides that the Corporation's stakeholders include its customers, resource providers, creditors, and the community in which it operates and,
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				<p>hence, fair, professional and objective dealings as well as clear, timely and regular communication with the various stakeholders ensure fair treatment and better protection of their rights.</p> <p>In view of its non-operational status and lack of personnel, the Board has yet to come up with a formal policy or program for the protection, fair treatment and enforcement of the rights of the company's stakeholders.</p> <p>At any rate and should there be a change in the status of ALRC, it undertakes to comply with this recommendation.</p>
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Principle 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.

Recommendation 15.1

1	The Board establishes policies, programs and procedures that encourage employees to actively participate in the realization of the company's goals and in its governance.	NON-COMPLIANT	<i>Provide information or link/reference to company policies, programs and procedures that encourage employee participation.</i>	ALRC shall revise its Manual on Corporate Governance to comply with this recommendation.
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Recommendation 15.2

1	The Board sets the tone and makes a stand against corrupt practices by adopting an anti-corruption policy and program in its Code of Business Conduct and Ethics.	NON-COMPLIANT	<i>Identify or provide link/reference to the company's policies, programs and practices against corruption.</i>	ALRC shall revise its Manual on Corporate Governance to comply with this recommendation.
2	The Board disseminates the policy and program to employees across the organization through trainings to embed them in the company's culture.	NON-COMPLIANT	<i>Identify how the board disseminated the policy and program to the employees across the organization.</i>	ALRC shall revise its Manual on Corporate Governance to comply with this recommendation.

Recommendation 15.3

1	The Board establishes a suitable framework for whistleblowing that allows employees to freely communicate their concerns about illegal or unethical practices, without fear of retaliation.	NON-COMPLIANT	<i>Disclose or provide link/reference to the company whistleblowing policy and procedure for employees.</i>	ALRC shall revise its Manual on Corporate Governance to comply with this recommendation.
2	The Board establishes a suitable framework for whistleblowing that allows employees to have direct access to an independent member of the Board or a unit created to handle whistleblowing concerns.	NON-COMPLIANT	<i>Indicate if the framework includes procedures to protect the employees from retaliation.</i> <i>Provide contact details to report any illegal or unethical behavior.</i>	ALRC shall revise its Manual on Corporate Governance to comply with this recommendation.
3	The Board supervises and ensures the enforcement of the whistleblowing framework.	NON-COMPLIANT	<i>Provide information on how the board supervised and ensured enforcement of the whistleblowing framework, including any incident of whistleblowing.</i>	ALRC shall revise its Manual on Corporate Governance to comply with this recommendation.

Principle 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.

Recommendation 16.1

1	The company recognizes and places importance on the interdependence between business and society, and promotes a mutually beneficial relationship that allows the company to grow its business, while contributing to the advancement of the society where it operates.	COMPLIANT	<i>Provide information or reference to a document containing the company's community involvement and environment-related programs.</i>	Please see Section XVI of the attached Manual on Corporate Governance.
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Attested by:


LONY R. CAPELLAN
Chairman/President


ROSARIO P. DELFIN
Independent Director


CHERRY T. ROCHA
Independent Director


HAZEL L. HELMUTH
Corporate Secretary/Compliance Officer


REPUBLIC OF THE PHILIPPINES
Quezon City

)
) S.S.

SUBSCRIBED AND SWORN to before me this **JUN 30 2023** at **Quezon City** Affiants exhibiting to me their competent evidences of identities, as follows:

Name	Competent Evidence of Identity
Lony R. Capellan	TIN 108-292-683
Cherry T. Rocha	TIN 949-389-797
Rosario P. Delfin	TIN 160-291-736
Hazel L. Helmuth	TIN 223-499-220

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Page No. 98
Book No. 11
Series of 2023


ATTY. MARIEL A. YANOGACIO
Notary Public for and in Quezon City
323 A&B Spark Place Bldg, Cubao, Quezon City
ADM MATTER No. NP-163(2022-2023)
Roll No. 57003
IBP Lifetime Member No. 014405, Pangasinan
PTR No. 3986762;01/10/2023, Quezon City
MCLE Commission No. VII-BEP003730; 24 March 2022
My Commission Expires on December 2023

**AZALEA LEISURE RESIDENCES CORPORATION DOING BUSINESS UNDER THE NAME AND STYLE OF
AZALEA VACATION CLUB**

DIRECTORS', INDEPENDENT DIRECTORS', AND OFFICERS' INFORMATION

Name	Age	Citizenship	Position	Other Positions
Nicolas C. Divinagracia	64	Filipino	Director	<p>Present Positions: President, Nicole's 22 Corporation; President, 2201 R.E.N. Corporation</p> <p>Highest Educational Attainment: Information not available</p>
Lony R. Capellan	60	Filipino	Chairman of the Board of Directors	<p>Present Position: General Manager, BP Water Works, Inc./Goodhands Water Specialists, Inc.</p> <p>Past Positions: Chief Accountant, Delfin Hermanos Group of Companies; and General Manager, BP Waterworks, Inc. and Goodhands Water Specialists, Inc.</p> <p>Highest Educational Attainment: Graduate, BS Accountancy</p>
Vittorio P. Lim	38	Filipino	Director	<p>Present Position: Certified Securities Representative, Wealth Securities, Inc.</p> <p>Past Positions: Certified Securities Representative, Tower Securities, Inc.; GS & PDS Broker, Tradition Financial Services Philippines, Inc.; Trader, First Resources, Philippine Stock Exchange</p> <p>Highest Educational Attainment: Graduate, AB Interdisciplinary Studies</p>
Maria Paz I. Diokno	70	Filipino	Director	<p>Present Positions: N/A</p> <p>Past Positions: President, First Savings Bank; Vice-President, Investment Banking Division, AB Capital & Investment Corporation; Vice-President & Division Head, Officer-in-Charge, Operations Division, Union Bank of the Philippines/UBP Capital Corporation; Confidential Executive</p>

				<p>Assistant II, Office of Board Member Carmen I. Diokno, Government Service Insurance System; Manager, Trust Department, Corporate & Development Finance Group, Merchants Investment Corporation; and, Assistant Manager, Corporate Credit Department, New Accounts Clerk, Makati Branch, Insular Bank of Asia & America</p> <p>Highest Educational Attainment: Post-college Graduate, MBA</p>
Teresa C. Secuya	62	Filipino	Director/ Treasurer	<p>Present Positions: Executive Assistant, 8990 Housing Development Corporation; Executive Assistant, Ceres Home, Inc.; Executive Assistant, Urban Basic Housing Corporation</p> <p>Past Positions: Settlement Aids Secretary, Office of the Provincial Manager, Davao Province; Executive Assistant for Administrative Affairs, Newpointe Realty & Development Corp.; Executive Assistant, Urban Basic Housing Corp., Executive Secretary, Ceres Homes, Inc., Executive Assistant, Fog Horn, Inc.; Executive Assistant, 8990 Housing Development Corporation</p> <p>Highest Educational Attainment: Graduate, AB Communication Arts</p>
Cherry T. Rocha	35	Filipino	Independent Director	<p>Present Positions: Vice President, Naga Queenstown Realty Development Inc.; Vice-President, LYRR Realty Development Corporation; Director, Iown Holdings Inc.; and, Vice-President, Dearborn Resources and Holdings Inc.</p> <p>Past Position: Practicum Trainee, IZUPARTS Center (Export)</p> <p>Highest Educational Attainment: Post-college Graduate, MBA</p>
Rosario P. Delfin	70	Filipino	Independent Director	<p>Present Position: Head of the Administrative Department, Rural Bank of Dolores Quezon, Inc.</p>

				<p>Past Positions: Assistant Manager, Corporate Secretary, and Marketing Head, Rural Bank of Dolores Quezon; Marketing Director, Bahayang Pagasa; Manager, International Jewelers Underwriters, NY; Marketing, Delfin Hermanos Inc.; Marketing, NDC-NACIDA</p> <p>Highest Educational Attainment: Post-college Graduate, MBA</p>
Hazel L. Helmuth	37	Filipino	Corporate Secretary	<p>Present Positions: GM for Legal and Corporate Secretary of the 8990 Group, Director and Corporate Secretary of Pilipinas Water Resources Inc.</p> <p>Highest Educational Attainment: Graduate, Bachelor of Laws</p>
Rowena C. Craig	51	Filipino	Assistant Corporate Secretary	<p>Present Position: Executive Assistant, Fog Horn, Inc.</p> <p>Past Positions: Administrative and Executive Assistant and Human Resource Assistant</p> <p>Highest Educational Attainment: Graduate, BA Journalism</p>

COVER SHEET

C S 2 0 1 4 0 7 0 4 6

S.E.C. Registration Number

A Z A L E A L E I S U R E R E S I D E N C E S

C O R P O R A T I O N D O I N G B U S I N E S S

U N D E R T H E N A M E A N D S T Y L E O F

A Z A L E A V A C A T I O N C L U B

(Company's Full Name)

P G M C B L D G . 7 6 C A L B A Y O G S T .

H I G H W A Y H I L L S M A N D A L U Y O N G C I T Y

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

Atty. Mariel A. Yanogacio

Contact Person/s

(632) 470-2321

Company Telephone

Number

1 2

Month

3 1

Day

Calendar Year

Corporate Governance Manual of Azalea Leisure Residences Corporation

FORM TYPE

0 6

Month

0 1

Day

Annual Meeting

Preferred Shares

Secondary License Type, If Applicable

CGFD

Dept. Requiring this Doc.

Amended Articles Number/Section

10

Total No. of Stockholders

10

Domestic

0

Foreign

To be accomplished by SEC Personnel concerned

File Number

LCU

Document I.D.

Cashier

STAMPS

CORPORATE GOVERNANCE MANUAL OF
AZALEA LEISURE RESIDENCES CORPORATION

INTRODUCTION

The function of this Corporate Governance Manual is to supplement and complement the Articles and Bylaws of AZALEA LEISURE RESIDENCES CORPORATION (the "Corporation") by setting forth principles of good and transparent governance.

The Board of Directors and Management of the Corporation hereby commit themselves to the principles and best practices of corporate governance contained in this Manual, and acknowledge that the same may guide the attainment of the Corporation's corporate goals.

I. DEFINITION OF TERMS

Board of Directors – the governing body elected by the stockholders that exercises the corporate powers of a corporation, conducts all its business, and controls its properties

Corporate Governance – a system of direction, feedback and control using regulations, performance standards and ethical guidelines to hold the Board of Directors and Senior Management accountable for ensuring ethical behavior and compliance with applicable laws, regulations, and the organization's policies and procedures

Enterprise Risk Management – a process, effected by an entity's Board of Directors, Management and other personnel, applied in strategy setting and across the enterprise that is designed to identify potential events that may affect the entity, manage risks to be within its risk appetite, and provide reasonable assurance regarding the achievement of entity objectives

Executive Director – a director who has executive responsibility of day-to-day operations of a part or the whole of the organization

Independent Director – a person who is independent of management and the controlling shareholder, and is free from any business or other relationship which could, or could reasonably be perceived to, materially interfere with his exercise of independent judgment in carrying out his responsibilities as a director

Internal Control – a process designed and effected by the Board of Directors, Senior Management, and all levels of personnel to provide reasonable assurance on the achievement of objectives through efficient and effective operations; reliable, complete and timely financial and management information; and compliance with applicable

laws, regulations, and the organization's policies and procedures

Management – a group of executives given the authority by the Board of Directors to implement the policies it has laid down in the conduct of the business of the Corporation.

Non-executive Director – a director who has no executive responsibility and does not perform any work related to the operations of the Corporation

Related Parties - covers the covered entity's directors, officers, substantial shareholders and their spouses and relatives within the fourth civil degree of consanguinity or affinity, legitimate or common-law, and other persons if these persons have control, joint control or significant influence over the covered entity. It also covers the covered entity's parent, subsidiary, fellow subsidiary, associate, affiliate, joint venture or an entity that is controlled, jointly controlled or significantly influenced or managed by a person who is a related party.

Related Party – shall cover the Corporation's subsidiaries, as well as affiliates and any party (including their subsidiaries, affiliates and special purpose entities), that the Corporation exerts direct or indirect control over or that exerts direct or indirect control over the Corporation, the Corporation's directors, officers, shareholders and related interests ("DOSRI"), and their close family members, as well as corresponding persons in affiliated companies. This shall also include such other person or juridical entity whose interest may pose a potential conflict with the interest of the Corporation.

Related Party Transactions – a transfer of resources, services or obligations between a reporting entity and a related party, regardless of whether a price is charged. It should be interpreted broadly to include not only transactions that are entered into with related parties, but also outstanding transactions that are entered into with an unrelated party that subsequently becomes a related party

Stakeholders – any individual, organization or society at large who can either affect and/or be affected by the Corporation's strategies, policies, business decisions and operations, in general. This includes, among others, non-proprietary certificate holders, customers, creditors, employees, suppliers, investors, as well as the government and the community in which the Corporation operates

II. GOVERNANCE RESPONSIBILITIES OF THE BOARD

A. ESTABLISHING A COMPETENT BOARD

1. Composition

The Board of Directors shall be composed of five (5) members who are elected by the stockholders.

The Corporation shall have at least two (2) independent directors or such number of independent directors that constitute twenty percent (20%) of the members of the Board, whichever is lesser, but in no case less than two (2).

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

The non-executive directors shall possess such qualifications and stature that will enable them to effectively participate in the deliberations of the Board.

2. Chairperson

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

The roles and responsibilities of the Chairperson include, among others, the following:

- a. Ensures 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. Ensures that the performance of the Board is evaluated at least once a year and discussed or followed up on if necessary.

3. Orientation and Training Policy

The Corporation shall have a policy on the training of directors, including an orientation program for first-time directors and relevant annual continuing training for all directors.

The orientation program for first-time directors and relevant annual continuing training for all directors aim to promote effective board performance and continuing qualification of the directors in carrying out their duties and responsibilities.

The orientation program ensures that new members are appropriately apprised of their duties and responsibilities before beginning their directorships and throughout their tenure. The orientation program covers the Securities and Exchange Commission ("SEC")-mandated topics on corporate governance and includes an introduction to the Corporation's business, Articles of Incorporation and Bylaws, and Code of Business Conduct and Ethics.

The annual continuing training program, on the other hand, makes certain that the directors are continuously informed of the developments in the business and regulatory environments, including emerging risks relevant to the Corporation. The training can be on any matter relevant to the Corporation, which can include training on audit, internal controls, risk management, sustainability, and strategy. For corporate governance trainings, the trainings can be conducted by SEC Accredited Institutional Training Providers.

The orientation program for first-time directors shall be for at least eight (8) hours while the annual continuing training shall be for at least four (4) hours.

4. Board Diversity Policy

The Board may have, at its option, a policy on board diversity.

A board diversity policy is not limited to gender diversity. It also includes diversity in age, ethnicity, culture, skills, competence, and knowledge. On gender diversity policy, a good example is to increase the number of female directors, including female independent directors.

5. Corporate Secretary

The Board shall ensure that it is assisted in its duties by a Corporate Secretary who shall be a separate individual from the Compliance Officer. The Corporate Secretary shall be a member of the Board of Directors and shall annually attend a training on corporate governance.

The Corporate Secretary is primarily responsible to the Corporation and its shareholders, and not to the Chairperson or President of the Corporation 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 the Board calendar);
- b. Safekeeps and preserves the integrity of the minutes of the meetings of the Board, Board committees and shareholders, as well as other official records of the Corporation;
- c. Keeps abreast of relevant laws, regulations, 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 and contributes to the flow of information between the Board and Management, the Board and its committees, and the Board and the shareholders as well as other stakeholders;
- e. Advises on the establishment of Board committees and their terms of reference;
- f. Informs the Board Directors, in accordance with the Bylaws, of the agenda of their meetings at least five (5) working days before the date of the meeting, and ensures that the Directors 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 Bylaws and their amendments 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 SEC.

6. Compliance Officer

The Board shall ensure that it is assisted in its duties by a Compliance Officer who should have the rank of Senior Vice President 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 shall annually attend a training on corporate governance.

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

- a. Ensures proper onboarding of new directors (i.e., orientation on the Corporation's business, charter, Articles of Incorporation and Bylaws, among others);
- b. Monitors, reviews, evaluates and ensures the compliance by the Corporation, its officers and directors with the relevant laws, rules and regulations as well as all governance issuances of the relevant 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 the rules and regulations of the SEC;
- e. Appears before the SEC when summoned in relation to compliance with this Manual and other relevant rules and regulations;
- f. Collaborates with the other departments to properly address compliance issues, which may be subject to investigation;
- g. Identifies possible compliance issues and works towards their resolution;
- h. Ensures the attendance of Board Directors and key officers in relevant trainings; and,
- i. Performs such other duties and responsibilities as may be provided by the Board and the SEC.

III. ROLES AND RESPONSIBILITIES OF THE BOARD

1. Fiduciary Duty

The Board Directors shall act on a fully informed basis, in good faith, with due diligence and care, and in the best interest of the Corporation and all shareholders.

There are two key elements of the fiduciary duty of Board Directors: the duty of care and the duty of loyalty. The duty of care requires Board Directors to act on a fully informed

basis, in good faith, and with due diligence and care. The duty of loyalty is also of central importance: the Board Directors shall act in the interest of the Corporation and all its shareholders, and not just those of the controlling group or any other stakeholder.

2. Oversight

The Board shall oversee the Corporation's business, approve the strategy, and monitor the implementation of the strategy in order to sustain the Corporation's long-term viability and strength.

3. Succession Planning

The Board shall be responsible for ensuring and adopting an effective succession planning program for directors, key officers and management to ensure the continuous and consistent growth of the Corporation. This shall include adopting a retirement policy for directors and key officers.

4. Determining Remuneration

The Board shall align the remuneration of Board Directors and key officers with the long-term interests of the Corporation. In doing so, it shall formulate and adopt a policy specifying the relationship between remuneration and performance. In this regard, no Board Director shall participate in the determination of his own per diem or compensation.

Key considerations in determining proper compensation include the following: (1) the level of remuneration is commensurate to the responsibilities of the role; (2) no director shall participate in the determination of his own per diem or compensation; and (3) remuneration pay-out schedules shall be sensitive to risk outcomes over a multi-year horizon.

For employees in control functions (e.g., risk, compliance and internal audit), their remuneration is determined independently from any business line being overseen, and their performance measures are based principally on the achievement of their objectives.

5. Nomination and Election

The Board shall have a formal and transparent board nomination and election policy that shall include how it accepts nominations from its shareholders and reviews the qualifications of nominated candidates. The policy shall also include an assessment of the effectiveness of the Board's processes and procedures in the nomination, election, or replacement/removal of a director. In addition, its process of identifying the quality of directors shall be aligned with the strategic direction of the Corporation.

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, experience, and particularly in the case of non-executive directors ("NEDs"), 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; and (4) have the ability to promote a smooth interaction between Board Directors. The process includes monitoring the qualifications of the directors.

- a. The following are permanently disqualified from being a director:
 - i. 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;
 - ii. Any person who, by reason of misconduct, after hearing, is permanently enjoined by a final judgment or order of the SEC, *Bangko Sentral ng Pilipinas* ("BSP") 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 or as an affiliated person of any of them; (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. The disqualification shall also apply if: (a) such person is the subject of an order of the SEC, BSP or any court or administrative body denying, revoking or suspending any registration, license or permit issued to him under the Revised Corporation Code of the Philippines, Securities Regulation Code or any other law administered by the SEC or BSP, or under any rule or regulation issued by the SEC or BSP; (b) such person has otherwise been restrained to engage in any activity involving securities and banking; or (c) such person is 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;
 - iii. 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;

- iv. Any person who has been adjudged by final judgment or order of the SEC, BSP, court, or competent administrative body to have willfully violated, or willfully aided, abetted, counseled, induced or procured the violation of any provision of the Revised Corporation Code, Securities Regulation Code or any other law, rule, regulation or order administered by the SEC or BSP;
 - v. Any person judicially declared as insolvent;
 - vi. Any person found guilty by final judgment or order of a foreign court or equivalent financial regulatory authority for acts, violations or misconduct similar to any of the acts, violations or misconduct enumerated above;
 - vii. Any person convicted by final judgment of an offense punishable by imprisonment for more than six (6) years, or a violation of the Revised Corporation Code of the Philippines and Securities Regulation Code committed within five (5) years prior to the date of his election or appointment; and,
 - viii. Other grounds as the SEC may provide pursuant to the provisions of the Revised Corporation Code of the Philippines, Securities Regulation Code and other related laws.
- b. The following are grounds for the temporary disqualification of a director:
- i. Absence in more than fifty percent (50%) of all regular and special meetings of the Board during his incumbency, or any 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;
 - ii. Dismissal, termination or removal for cause as director of any publicly listed company, public company, registered issuer of securities and holder of a secondary license from the SEC. The disqualification shall be in effect until he has cleared himself from any involvement in the cause that gave rise to his dismissal, termination or removal;
 - iii. If the beneficial equity ownership of an independent director in the Corporation or its subsidiaries and affiliates exceeds two percent (2%) of its subscribed capital stock. The disqualification from being elected as an independent director is lifted if the limit is later complied with; and,

- iv. If any of the judgments or orders cited in the grounds for permanent disqualification has not yet become final.

6. Selection and Assessment of Management Performance

The Board shall be primarily responsible for approving the selection and assessing the performance of the Management led by the President or his equivalent, and control functions led by their respective heads (Chief Risk Officer, Chief Compliance Officer, and Chief Audit Executive, as may be applicable).

7. Performance Evaluation

The Board shall establish an effective performance evaluation framework, which includes the standard or criteria for assessment, that will ensure that the Management, including the President or his equivalent, and personnel's performance is at par with the standards set by the Board and Senior Management.

8. Internal Control System

The Board shall oversee that an appropriate internal control system is in place, including setting up a mechanism for monitoring and managing potential or actual conflicts of interest of Board Directors, management, and shareholder. The Board has the option to adopt an Internal Audit Charter.

9. Enterprise Risk Management

The Board shall ensure that a sound Enterprise Risk Management framework is in place to effectively identify, monitor, assess and manage key business risks. The risk management framework shall guide the Board in identifying units or business lines and enterprise-level risk exposures, as well as the effectiveness of risk management strategies.

10. Board Charter

The Board has the option to execute a Board Charter that formalizes and clearly states its roles, responsibilities and accountabilities in carrying out its fiduciary duties. The Board Charter shall serve as a guide to the Directors in the performance of their functions and shall be made publicly available.

IV. ESTABLISHING BOARD COMMITTEES

1. Board Committees

The Board may establish Board committees that focus on specific board functions to aid in the optimal performance of its roles and responsibilities. The Board committees shall be composed only of Board Directors.

Board committees such as the Audit Committee, Corporate Governance Committee, and Board Risk Oversight Committee may prove necessary to support the Board in the effective performance of its functions. The establishment of the same, or any other committees that the Corporation deems necessary, allows for concentration of focus in specific issues and leads to a better management of the Board's workload. The type of board committees to be established would depend on its size, risk profile, nature and complexity of operations. However, if the committees are not established, the functions of these committees may be carried out by the whole board or by any other committee.

2. The Audit Committee

The Board may establish an Audit Committee to enhance its oversight capability over the Corporation's financial reporting, internal control system, internal and external audit processes, and compliance with applicable laws and regulations. The committee shall be composed of at least three (3) appropriately qualified non-executive directors, the majority of whom, including the Chairperson, shall be independent directors. 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 reporting, 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 Corporation's resources and ensure their effective utilization, (b) prevent the occurrence of fraud and other irregularities, (c) protect the accuracy and reliability of the Corporation's financial data, and (d) ensure compliance with applicable laws and regulations;
- c. Oversees the IA Department, and recommends the appointment and removal of

the 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 to 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, if any;
- h. Reviews and approves the Interim and Annual Financial Statements before their submission to the Board, with particular focus on the following matters:
 - (a) Any change/s in accounting policies and practices;
 - (b) Areas where a significant amount of judgment has been exercised;
 - (c) Significant adjustments resulting from the audit; Going concern assumptions;
 - (d) Compliance with accounting standards; and,
 - (e) 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 the appointment, reappointment, removal and fees of the External Auditor, duly accredited by the SEC, 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, Related Party Transactions are monitored, and the Related Party Registry is updated to capture subsequent changes in relationships with counterparties (from non-related to related and vice versa);
- n. In case of the absence of a Related Party Transactions ("RPT") 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 Corporation are misappropriated or misapplied;
- o. In case of the absence of an RPT Committee:
 - i. 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 Corporation 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 similar circumstances. The Corporation shall have an effective price discovery system in place and exercise due diligence in determining a fair price for RPTs.
 - ii. Ensures that appropriate disclosure is made, and/or information is

provided to regulating and supervising authorities relating to the Corporation'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 can arise as a result of the Corporation's affiliation or transactions with other related parties;

- iii. Reports to the Board of Directors on a regular basis, the status and aggregate exposures to each related party, as well as the total amount of exposures to all related parties;
 - iv. Ensures that transactions with related parties, including write-off of exposures, are subject to a periodic independent review or audit process; and,
 - v. Oversees the implementation of the system for identifying, monitoring, measuring, controlling, and reporting RPTs, including a periodic review of RPT policies and procedures;
- p. Performs the functions of the Board Risk Oversight Committee, in the absence thereof; and,
- q. Meets internally and with the Board at least once every quarter without the presence of the President or other Management team members, and periodically meets with the head of the Internal Audit.

3. Corporate Governance Committee

The Board may 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, majority of whom shall be independent directors, including the Chairperson.

The Corporate Governance Committee ("CG Committee") is tasked with ensuring compliance with and proper observance of corporate governance principles and practices. It has 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/training programs for Directors, assignment of tasks/projects to Board committees, succession plan for the Board Directors and senior officers, and remuneration packages for corporate and individual performance;
- 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 Corporation's Directors and defines the general profile of the Board Directors that the Corporation 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; and,
- 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 Corporation from establishing a separate Remuneration or Nomination Committees, if it deems the same desirable or necessary.

V. FOSTERING COMMITMENT

1. Attendance of Directors in Meetings

The Directors shall 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 SEC, 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.

The absence of a director in more than fifty percent (50%) of all regular and special meetings of the Board during his incumbency is a ground for disqualification in the succeeding election, unless the absence is due to illness, death in the immediate family, serious accident or other unforeseen or fortuitous events.

VI. BOARD INDEPENDENCE

1. 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 and independent judgment on corporate affairs and to carry out proper checks and balances.

The right combination of non-executive directors, which include independent directors, and executive directors, ensures that no director or small group of directors can dominate the decision-making process. Further, a board composed of a majority of non-executive directors assures protection of the Corporation's interest over the interest of the individual shareholders.

2. Independent Directors

The Board shall have at least two (2) independent directors, or such number as to constitute at least one-third of the members of the Board, whichever is higher.

a. Qualifications and Disqualifications

An Independent Director ("ID") refers to a person who, ideally:

- (i) Is not, or has not been a senior officer or employee of the Corporation unless there has been a change in the controlling ownership of the Corporation;
- (ii) Is not, and has not been in the two (2) years immediately preceding the election, a director of the Corporation; a director, officer, employee of the Corporation's subsidiaries, associates, affiliates or related companies; or a director, officer, employee of the covered Corporation's substantial shareholders and its related companies;
- (iii) Has not been appointed in the Corporation, 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;

- (iv) Is not an owner of more than two percent (2%) of the outstanding shares of the Corporation, its subsidiaries, associates, affiliates or related companies;
- (v) Is not a relative of a director, officer, or substantial shareholder of the covered Corporation 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;
- (vi) Is not acting as a nominee or representative of any director of the Corporation or any of its related companies;
- (vii) 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 Philippine Stock Exchange, an associated person or salesman, and an authorized clerk of the broker or dealer;
- (viii) Is not retained, either in his personal capacity or through a firm, as a professional adviser, auditor, consultant, agent or counsel of the Corporation, 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;
- (ix) 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 Corporation 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;
- (x) Is not affiliated with any non-profit organization that receives significant funding from the Corporation or any of its related companies or substantial shareholders; and
- (xi) Is not employed as an executive officer of another company where any of the covered Corporation's executives serve as directors.

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

b. 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 re-election as such in the Corporation, but may continue to qualify for nomination and election as a non-independent director. In the instance that the Corporation wants to retain an independent director who has served for nine (9) years, the Board shall provide meritorious justification/s and seek shareholders' approval during the annual shareholders' meeting.

5. Chairperson and President

The positions of Chairperson of the Board and President or its equivalent position, shall be held by separate individuals and each shall have clearly defined responsibilities.

The President has the following roles and responsibilities, among others:

- a. Determines the Corporation's strategic direction and formulates and implements its strategic plan on the direction of the business;
- b. Communicates and implements the Corporation's vision, mission, values and overall strategy 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.

The roles and responsibilities of the Chairperson are provided under II(A)(2) hereof .

6. Adverse Interest of a Director

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.

VII. BOARD PERFORMANCE ASSESSMENT

1. Annual Self-Assessment

The Board may conduct an annual self-assessment of its performance, including the performance of the Chairperson, individual members, and committees.

The Board shall have in place a system that provides, at a 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.

VIII. STRENGTHENING BOARD ETHICS

1. Code of Business Conduct and Ethics

The Board may adopt a Code of Business Conduct and Ethics, which will provide standards for professional and ethical behavior, as well as articulate acceptable and unacceptable conduct and practices in internal and external dealings of Board Directors. The Code shall be properly disseminated to all the Board Directors. It shall also be disclosed and made available to the public through the Corporation's website, if any.

IX. ENHANCING CORPORATE DISCLOSURE POLICIES AND PROCEDURES

1. Corporate Disclosure Policies

The Board may establish 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 the Corporation's financial condition, results, and business operations.

The Corporation may likewise have a policy requiring all directors and officers to disclose/report to the Corporation any dealings in the Corporation's shares by the said directors and officers within five (5) business days.

The Corporation's corporate governance policies, programs and procedures shall be contained in its Manual on Corporate Governance, which shall be submitted to the SEC

and posted on the Corporation's website, if any.

The Manual may, at the option of the Corporation, contain the following, among others:

- a) A policy on the training of Directors, including an orientation program for first-time directors and relevant annual continuing training for all Directors;
- b) Policies and procedure for setting Board and executive remuneration, as well as the level and mix of the same;
- c) Policies governing related party transactions and other unusual or infrequently occurring transactions, as well as the review and approval of material and significant related party transactions, geared towards the prevention of abusive dealings and transactions and the promotion of transparency. These policies include ensuring that transactions occur at market prices and under conditions that protect the rights of all shareholders;
- d) Policies on full, fair, accurate and timely disclosure to the public of every material fact or event that occurs in the Corporation, particularly on the acquisition or disposal of significant assets, which could adversely affect the viability or the interest of its shareholders and other stakeholders, which includes policy on the appointment an independent party to evaluate the fairness of the transaction price on the acquisition or disposal of assets;
- e) Alternative dispute mechanism(s) to resolve intra-corporate disputes in an amicable and effective manner;
- f) Policies on formal and transparent board nomination and election policy;
- g) Basic shareholder rights; and
- h) Qualifications and grounds for disqualification of Directors.

2. Annual Corporate Governance Report

The Corporation may choose to disclose all relevant information on its corporate governance policies and practices in the Annual Corporate Governance Report ("ACGR"), which shall be submitted to the SEC, and continuously updated and posted on the Corporation's website, if any.

The ACGR may 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 Corporation, particularly on the acquisition or disposal of significant assets, which could adversely affect the viability or the interest of its shareholders 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, and 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 Corporation's Directors for the previous year; and,
- f) Other information that the SEC or other regulatory agencies, may, from time to time, require disclosure of.

X. EXTERNAL AUDITOR INDEPENDENCE AND AUDIT QUALITY

1. External Auditor

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 should be disclosed to the SEC, the shareholders, and the public through the Corporation website, if any, and other required disclosures.

The Corporation 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.

XI. INCREASING FOCUS ON NON-FINANCIAL AND SUSTAINABILITY REPORTING

1. Disclosure of Non-financial information

The Corporation shall have a clear and focused strategy on the disclosure of non-financial information. It shall disclose to all shareholders and other stakeholders the Corporation'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.

XII. COMPREHENSIVE AND COST-EFFICIENT ACCESS TO RELEVANT INFORMATION

1. Corporate Website

The Corporation may, at the discretion of the Board, choose to have a website to ensure a comprehensive, cost-efficient, transparent and timely manner of disseminating relevant information to the public.

XIII. STRENGTHENING INTERNAL CONTROL AND RISK MANAGEMENT SYSTEMS

1. Internal Control System

The Corporation may opt to 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.

2. Independent Internal Audit

The Corporation, at the Board's sole discretion or through the Audit Committee, may put in place an independent internal audit system that provides an independent and objective assurance and consulting services designed to add value and improve the Corporation's operations.

The following are the functions of the Internal Audit, 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 Corporation's risk assessment;
- c. Performs consulting and advisory services related to governance and control as appropriate for the Corporation;
- 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 Corporation;
- 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.

The Corporation's Internal Audit activity may be a fully resourced activity housed within the organization or may be outsourced to qualified independent third-party service providers.

XIV. PROMOTING SHAREHOLDER RIGHTS

1. Common Shareholder's Rights

Except as may be limited by the Articles of Incorporation and the Bylaws, common shareholders shall have the following rights, among others:

- a. Right to participate in the approval of material corporate acts;
- b. Right to propose the holding of meetings and to include agenda items ahead of the scheduled Annual and Special Shareholders' Meeting;
- c. Right to nominate candidates to the Board of Directors;
- d. Right to be informed of the nomination and removal process; and,

- e. Right to be informed of the voting procedures that will govern the Annual and Special Shareholders' Meeting.
- f. Moreover, shareholders have the following additional rights:
 - i. Pre-emptive right;
 - ii. Right to dividends; and
 - iii. Appraisal right.

2. Result of Annual Stockholders' Meeting

The result of the votes on matters taken during the most recent Annual or Special Shareholders' Meeting shall be reported to the SEC thru SEC Form 17-A. In addition, the Minutes of the Annual and Special Shareholders' Meeting may be made available upon written request to the common shareholder.

The minutes of the meeting may include the following matters: (1) a description of the voting and vote tabulation procedures used; (2) the opportunity given to shareholders to ask questions, as well as a record of the questions asked and the answers received; (3) the matters discussed and the resolutions reached; (4) a record of the voting results for each agenda item; (5) a list of the directors, officers and shareholders who attended the meeting; and (6) dissenting opinion on any agenda item that is considered significant in the discussion process.

3. Alternative Dispute Mechanism

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

4. Investor/Customer Relations Office

The Board may establish an Investor Relations Office ("IRO") or Customer Relations Office ("CRO") or its equivalent to ensure constant engagement and communication with its shareholders. The IRO or CRO or its equivalent shall be present at every shareholders' meeting.

XV. DUTIES TO STAKEHOLDERS

The Corporation's stakeholders include its customers, resource providers, creditors and the community in which it operates. Fair, professional and objective dealings as well as clear, timely and regular communication with the various stakeholders ensure fair treatment and better protection of their rights.

Included in the stakeholders are the holders of non-proprietary right. These holders

have no participation in the management of the affairs and assets of the Corporation, but they have rights over the use and enjoyment of the property of the Corporation subject to the agreed terms and conditions. As such, non-proprietary right holders enjoy contractual rights which must be respected and upheld by the Board and the Management.

Non-proprietary right holders enjoy the following rights:

- a) Rights over the use and enjoyment of the corporate property subject to terms and conditions as may be provided in the Articles of Incorporation, Bylaws and membership certificates;
- b) The right to be informed of any material transaction or undertaking by the Corporation, which may substantially affect the use and enjoyment of the corporate property over which the member holds non-proprietary rights; and,
- c) The right to seek redress for any violation of the aforementioned rights.

XVI. SUSTAINABILITY AND SOCIAL RESPONSIBILITY

1. Interdependence with Society

The Corporation recognizes and places much importance on the interdependence between business and society, and promotes a mutually beneficial relationship that allows the Corporation to grow its business while contributing to the advancement of the society where it operates.

The Corporation's value chain consists of inputs to the production process, the production process itself and the resulting output. Sustainable development means that the Corporation not only complies with existing regulations, but also voluntarily employs value chain processes which take into consideration economic, environmental, social and governance issues and concerns. In considering sustainability concerns, the Corporation plays an indispensable role alongside the government and civil society in contributing solutions to complex global challenges like poverty, inequality, unemployment and climate change.

XVII. EFFECTIVITY

This Corporate Governance Manual shall become effective upon approval by the SEC of the amendments to the Corporation's Bylaws which incorporates the changes introduced in this Manual, pursuant to SEC Memorandum Circular No. 24, Series of 2019. The Corporation shall have sufficient time to implement the amendments in the Bylaws that give effect and meaning to the provisions of this Manual.

Signed this 28th day of September, 2020 at Mandaluyong City.


LONY R. CAPELLAN
Chairman of the Board


ATTY. IAN NORMAN E. DATO
Compliance Officer

From: **CGFD Account** cgfd@sec.gov.ph
Subject: **Fwd: Azalea Leisure Residences Corporation Doing Business Under the Name and Style of Azalea Vacation Club_Manual on Corporate Governance for Public Companies and Registered Issuers_30September2020**
Date: **October 19, 2020 at 8:19 PM**
To: marie1.yanogacio@datoinciong.com
Cc: cgfd.cgd.cgld.cgd@sec.gov.ph

Dear Atty. Yanogacio,

This is to acknowledge receipt of your email. This will be forwarded to our handling Division.

On **24 June 2020**, the Commission issued a **NOTICE** with subject "*Options for the Submission of Reports, Applications and Other Documents During the Effectivity of All Community Quarantine Imposed Due to Covid-19*", as a Guidance for the covered companies indicated therein. To view the complete Notice, please click this link - http://www.sec.gov.ph/wp-content/uploads/2020/06/2020Notice_Options-in-the-Submission-of-Reports_rev.pdf.

Insofar as the covered companies enumerated therein are concerned (and with respect to reports, applications, requests and other documents falling within our Department's jurisdiction), only the submissions that are compliant with the requirements provided in the abovementioned Notice shall be considered as filed with the Commission.

We encourage you to regularly monitor the SEC Website (www.sec.gov.ph) and/or the SEC's Facebook page for updates and announcements.

Thank you.

CORPORATE GOVERNANCE AND FINANCE DEPARTMENT (CGFD)
Securities and Exchange Commission

Confidentiality Notice:

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The Commission is neither liable for the proper and complete transmission of the information nor for any delay in its receipt. The Commission accepts no liability for any damage caused by this email or its attachments due to viruses, interference, interception, corruption or unauthorized access.

----- Forwarded message -----

From: **Atty. Marie A. Yanogacio** <marie1.yanogacio@datoinciong.com>
Date: **Mon, Oct 19, 2020 at 3:09 PM**
Subject: **Fwd: Azalea Leisure Residences Corporation Doing Business Under the Name and Style of Azalea Vacation Club_Manual on Corporate Governance for Public Companies and Registered Issuers_30September2020**
To: <icidsubmission@sec.gov.ph>
Cc: <cgfd@sec.gov.ph>

To whom it may concern:

We have yet to receive the acknowledgment receipt of the e-mail sent below last 30 September 2020.

We hope to hear from you soon.

Thank you and best regards.

See More

To whom it may concern:

We have yet to receive the acknowledgment receipt of the e-mail sent below last 30 September 2020.

We hope to hear from you soon.

Thank you and best regards.

Office: 02.470.2321 | Fax: 02.667.3079
3103A East Tower, PSE Centre, Ortigas Center
Pasig City, Philippines 1600
<http://www.datoinciong.com>

Begin forwarded message:

From: "Atty. Mariel A. Yanogacio" <mariel.yanogacio@datoinciong.com>
Subject: Azalea Leisure Residences Corporation Doing Business Under the Name and Style of Azalea Vacation Club Manual on Corporate Governance for Public Companies and Registered Issuers 30September2020
Date: September 30, 2020 at 4:08:55 PM GMT+8
To: ictdsubmission@sec.gov.ph
Cc: cofd@sec.gov.ph, Ian Dato <ian.dato@datoinciong.com>, "Jane S. Juta" <jane.juta@datoinciong.com>

To whom it may concern:

We are submitting the Corporate Governance Manual of Leisure Residences Corporation Doing Business Under the Name and Style of Azalea Vacation Club (the "Corporation"), pursuant to SEC Memorandum Circular No. 24, Series of 2019, SEC Memorandum Circular No. 19, Series of 2020, and SEC Notice dated 24 June 2020.

Likewise attached is the notarized certification of the person who prepared the document on behalf of the Corporation.

We hope that you find the foregoing in order.

Best regards,

Mariel A. Yanogacio
Partner

Office: 02 470 2321 | Fax: 02 667 3079
3103A East Tower, PSE Centre, Ortigas Center
Pasig City, Philippines 1600
<http://www.datoinciong.com>

DI&A
DATO INCIONG & ASSOCIATES



Corporate Governance
Manual.pdf

REPUBLIC OF THE PHILIPPINES)
MANDALUYONG CITY) S.S.

CERTIFICATION

KNOW ALL MEN BY THESE PRESENTS:

I, **ATTY. IAN NORMAN E. DATO**, the Corporate Secretary of **AZALEA LEISURE RESIDENCES CORPORATION** doing business under the name and style of **Azalea Vacation Club** (the "Corporation"), with SEC Registration No. CS201407048, and with principal office address at the 2nd Floor PGMC Building, 76 Calbayog corner D. M. Guovarra Streets, Mandaluyong City, on oath state:

1. That on behalf of the Corporation, I have caused this Corporate Governance Manual of Azalea Leisure Residences Corporation 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 Corporation will comply with the requirements set forth in the SEC Notice dated 24 June 2020 for a complete and official submission of reports and/or documents through electronic mail; and,
4. That I am fully aware that the documents filed online which required pre-evaluation and/or processing fee shall be considered complete and officially received only upon payment of a filing fee.

SEP 30 2020


IN WITNESS WHEREOF, I have hereunto set my hand this _____ day of _____ in MANILA, PHILIPPINES City


ATTY. IAN NORMAN E. DATO
Corporate Secretary

SEP 30 2020

SUBSCRIBED AND SWORN TO before me this _____ at _____, Philippines, affiant, personally known to me, presented his TIN 207-277-177.

Doc. No. 20
Page No. 5
Book No. 779
Series of 2020.


ATTY. JAMES K. ARUGAN
NOTARY PUBLIC
Apt. No. 0442-19
Local Bldg. 31, 2020
IBP No. 101013-01-03-2020 (total Chapter
Rul. No. 26720 Effect/ma
MCLE No. VI-0012875 (total 4/14/2022)
TIN No. 026-239-956
PTR No. 433.10865.101-03-2020
Tel. No. 631-40-90
Mandaluyong City

COVER SHEET

C S 2 0 1 4 0 7 0 4 6

S.E.C. Registration Number

A Z A L E A L E I S U R E R E S I D E N C E S

C O R P O R A T I O N D O I N G B U S I N E S S

U N D E R T H E N A M E A N D S T Y L E O F

A Z A L E A V A C A T I O N C L U B

(Company's Full Name)

7 6 P G M C B L D G . C A L B A Y O G S T .

M A N D A L U Y O N G C I T Y

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

Atty. Mariel A. Yanogacio

Contact Person/s

(632) 8470-2321

Company Telephone

Number

1 2

Month

3 1

Day

Calendar Year

17-C (Current Report)

FORM TYPE

0 6

Month

0 1

Day

Annual Meeting

Preferred Shares

Secondary License Type, If Applicable

CGFD

Dept. Requiring this Doc.

Amended Articles Number/Section

10

Total No. of Stockholders

10

Domestic

0

Foreign

To be accomplished by SEC Personnel concerned

File Number

_____ LCU

Document I.D.

_____ Cashier

STAMPS



(SEC Provider Accreditation Number CG2021-002)

presents this

CERTIFICATE OF COMPLETION

to

Atty. Hazel L. Helmuth

for completing the three-hour webinar

New Year SEC Updates and Compliance

held at 1:30 in the afternoon

on Friday, January 27, 2023 via [zoom](#)

*Henry Belleza Aquende, MBM, Hon. DPA
Founder & President
Center for Global Best Practices*

*Atty. Justina F. Callangan
Course Director & Lecturer
Center for Global Best Practices*

COVER SHEET

C S 2 0 1 4 0 7 0 4 6

S.E.C. Registration Number

A Z A L E A L E I S U R E R E S I D E N C E S

C O R P O R A T I O N D O I N G B U S I N E S S

U N D E R T H E N A M E A N D S T Y L E O F

A Z A L E A V A C A T I O N C L U B

(Company's Full Name)

7 6 P G M C B L D G . C A L B A Y O G S T .

M A N D A L U Y O N G C I T Y

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

Atty. Mariel A. Yanogacio

Contact Person/s

(632) 8470-2321

Company Telephone

Number

1 2

Month

3 1

Day

Calendar Year

17-C (Current Report)

FORM TYPE

0 6

Month

0 1

Day

Annual Meeting

Preferred Shares

Secondary License Type, If Applicable

CGFD

Dept. Requiring this Doc.

Amended Articles Number/Section

10

Total No. of Stockholders

10

Domestic

0

Foreign

To be accomplished by SEC Personnel concerned

File Number

LCU

Document I.D.

Cashier

STAMPS

SECURITIES AND EXCHANGE COMMISSION

SEC FORM 17-C

CURRENT REPORT UNDER SECTION 17
OF THE SECURITIES REGULATION CODE
AND SRC RULE 17.2(c) THEREUNDER

1. 30 June 2023
Date of Report (Date of earliest event reported)
2. SEC Identification Number CS201407046 3. BIR Tax Identification No. 008-753-964
4. AZALEA LEISURE RESIDENCES CORPORATION doing business under the name and style of
Azalea Vacation Club
Exact name of issuer as specified in its charter
5. Metro Manila, Philippines
Province, country or other jurisdiction of
incorporation
6. (SEC Use Only)
Industry Classification Code:
7. 76 Calbayog St., Highway Hills, Mandaluyong City
Address of principal office
- 1500
Postal Code
8. (02) 8634-7742
Issuer's telephone number, including area code
9. Not applicable
Former name or former address, if changed since last report
10. Securities registered pursuant to Sections 8 and 12 of the SRC or Sections 4 and 8 of the RSA

Title of Each Class	Number of Shares of Common Stock Outstanding and Amount of Debt Outstanding
Preferred Shares	35,442

11. Indicate the item numbers reported herein:

"Item 4. Resignation, Removal or Election of Registrant's Directors or Officers

(a) Resignation or Removal

- (i) Disclose the name of any director or officer who has ceased to hold office, the date of any such cessation, the office held by any such person and the reason/s for such cessation. If a director has been removed by issuer for cause, it shall provide a discussion of the reason for the removal.

X x x

(b) Election or appointment

- (i) If a director or officer who has died, resigned or been removed has been replaced by the issuer or elected at any meeting of the shareholders, it

shall state the name of the appointee or electee, the office to be held by such person, the date of such appointment or election including the qualification and business experience for the past five years of such person.

X x x.”

RESIGNATION OF ATTY. IAN NORMAN E. DATO AND THE APPOINTMENT OF ATTY. HAZEL L. HELMUTH AS THE CORPORATION'S CORPORATE SECRETARY AND COMPLIANCE OFFICER

As of 30 June 2023, Atty. Ian Norman E. Dato has ceased to hold the position of Corporate Secretary and Compliance Officer of Azalea Leisure Residences Corporation doing business under the name and style of Azalea Vacation Club (the "Corporation") on account of his voluntary resignation.

In view of the vacancy of the position of Corporate Secretary and Compliance Officer, the Board of Directors of the Corporation convened through videoconference today to appoint a new Corporate Secretary and Compliance Officer.

The Chairman of the Board, Ms. Lony R. Capellan, nominated Atty. Hazel L. Helmuth as the Corporation's Corporate Secretary and Compliance Officer. No other nomination was made for the said position.

Upon the majority vote of the Board of Directors, Atty. Hazel L. Helmuth was duly appointed to act as the Corporation's Corporate Secretary and Compliance Officer, effective as of 30 June 2023.

After deliberation among the members of the Board of the Corporation, it has been –

“RESOLVED, AS IT IS HEREBY RESOLVED, that **AZALEA LEISURE RESIDENCES CORPORATION** appoints and designates **ATTY. HAZEL L. HELMUTH** as the Corporate Secretary and Compliance Officer of the Corporation effective 30 June 2023.

RESOLVED, FINALLY, that all things/acts done and documents executed and entered into by **ATTY. HAZEL L. HELMUTH** in her capacity as Corporate Secretary and Compliance Officer are hereby affirmed, confirmed, and ratified.”

SIGNATURES

Pursuant to the requirements of the Securities Regulation Code, the issuer has duly caused this report to be signed on its behalf by the undersigned hereunto duly authorized.

AZALEA LEISURE RESIDENCES CORPORATION
doing business under the name and style of
Azalea Vacation Club
Issuer

30 June 2023
Date


ATTY. HAZEL L. HELMUTH
Compliance Officer/
Corporate Secretary

REPUBLIC OF THE PHILIPPINES)
PASIG CITY) S.S.

SECRETARY'S CERTIFICATE

I, **HAZEL L. HELMUTH**, Filipino, of legal age with office address at 2F PGMC Building, Calbayog corner DM Guevarra Streets, Highway Hills Mandaluyong City, after being duly sworn to accordance with the law, hereby depose and state that:

1. I am the Corporate Secretary of **AZALEA LEISURE RESIDENCES CORPORATION** (herein the "Corporation"), a corporation duly organized and existing under and by virtue of Philippine laws.
2. At a meeting of the Board of Directors held on **30 June 2023**, during which a quorum was present and acting throughout, the following resolution was unanimously passed and approved:

BOARD RESOLUTION NO. 20230630A

"RESOLVED, AS IT IS HEREBY RESOLVED, that **AZALEA LEISURE RESIDENCES CORPORATION** appoints and designates **ATTY. HAZEL L. HELMUTH** as the Corporate Secretary and Compliance Officer of the Corporation effective 30 June 2023"

"RESOLVED, FINALLY, that all things/acts done and documents executed and entered into by **ATTY. HAZEL L. HELMUTH** in her capacity as Corporate Secretary and Compliance Officer are hereby affirmed, confirmed, and ratified.

3. The foregoing resolution remains valid and binding on the Corporation and is in full force and effect on the date hereof.

PASIG CITY IN WITNESS WHEREOF, I have hereunto set my hand this JUN 30 2023 at _____, Philippines.

HAZEL L. HELMUTH
Corporate Secretary

JUN 30 2023

SUBSCRIBED AND SWORN to before me this _____ at PASIG CITY Philippines by affiant who presented her TIN 223-499-220.

Doc. No. 400;
Page No. 81;
Book No. 16;
Series of 2023.

DARWIN S. AQUINO
ATTY. DARWIN S. AQUINO
NOTARY PUBLIC FOR AND IN THE CITY OF PASIG
Appointment No. 28 (2022-2023) until 31 December 2023
IBP No. 257743; 2 Jan 23; Isabela
PTR No. 0112684; 4 Jan 23; Pasig City
MCLE Compliance No. VII-0016232, 14 April 2025
Roll No. 72050



Mariel Yanogacio <mariel.yanogacio@lawphil.ph>

CGFD_Azalea Leisure Residence Corporation doing business under the name and style of Azalea Vacation Club_SEC FORM 17C (Resignation and Appointment of Corporate Secretary and Compliance Officer)_30 June 2023

2 messages

Mariel Yanogacio <mariel.yanogacio@lawphil.ph>

Fri, Jun 30, 2023 at 1:49 PM

To: ictdsubmission@sec.gov.ph

Cc: CGFD Account <cgfd@sec.gov.ph>, "MARY VIVIEN V. VERANO" <vvverano@sec.gov.ph>, "Atty. H" <hhelmuth@8990holdings.com>, "Atty. Darian Kaye Aquino" <dkaquino@8990holdings.com>

30 June 2023

SECURITIES AND EXCHANGE COMMISSION
Secretariat Building, PICC Complex,
Roxas Boulevard, Pasay City, 1307Attn: Officer-in-Charge
Corporate Governance and Finance Department

Gentlemen:

We write on behalf of **Azalea Leisure Residences Corporation doing business under the name and style of Azalea Vacation Club** (the "**Corporation**"), a domestic corporation organized and existing under the laws of the Republic of the Philippines with **SEC Company Reg. No. CS201407046**.

We hereby submit the SEC Form 17 C regarding the resignation of Atty. Ian Norman E. Dato and the appointment of Atty. Hazel L. Helmuth as the Corporate Secretary and Compliance Officer of the Corporation.

Furthermore, the Corporate Secretary declares the authenticity of the attached documents and commits to submit the physical version of the same documents to the SEC, if needed. Attached herewith is the notarized Certification to the said effect.

Please acknowledge receipt of this email and its attachments.

For any questions or concerns, kindly contact us at ian.dato@lawphil.ph and mariel.yanogacio@lawphil.ph, pending the submission of Annex G of MC 28 for the updating of the email addresses of the Corporation.

Thank you and best regards,

Atty. Hazel L. Helmuth**Atty. Mariel A. Yanogacio**

2 attachments**Azalea Leisure Residence Corporation doing business under the name and style of Azalea Vacation**

 **Club_SEC FORM 17C (Resignation and Appointment of Corporate Secretary and Compliance Officer)_30 June 2023.pdf**
1211K

 **Azalea Leisure Residence Corporation doing business under the name and style of Azalea Vacation Club_Certification_SEC FORM 17C_30 June 2023.pdf**
256K

ICTD Submission <ictdsubmission+canned.response@sec.gov.ph>
To: mariel.yanogacio@lawphil.ph

Fri, Jun 30, 2023 at 1:49 PM

Thank you for reaching out to ictdsubmission@sec.gov.ph!

Your submission is subject for Verification and Review of the Quality of the Attached Document only for Secondary Reports. The Official Copy of the submitted document/report with Barcode Page (Confirmation Receipt) will be made available after 7 working days via order through the SEC Express at <https://secexpress.ph/>. For further clarifications, please call (02) 8737-8888.

----- NOTICE TO
COMPANIES -----

Please be informed of the reports that shall be filed only through ictdsubmission@sec.gov.ph.

Pursuant to SEC MC Circular No. 3 s 2021, scanned copies of the printed reports with wet signature and proper notarization shall be filed in PORTABLE DOCUMENT FORMAT (pdf) through email at ictdsubmission@sec.gov.ph such as the following SECONDARY REPORTS:

1. 17-A 6. ICA-QR 11. IHAR 16. 39-AR 21. Monthly Reports
2. 17-C 7. 23-A 12. AMLA-CF 17. 36-AR 22. Quarterly Reports
3. 17-L 8. 23-B 13. NPM 18. PNFS 23. Letters
4. 17-Q 9. GIS-G 14. NPAM 19. MCG 24. OPC (Alternate Nominee)
5. ICASR 10. 52-AR 15. BP-FCLC 20. S10/SEC-NTCE-EXEMPT

Further, effective 01 July 2023, the following reports shall be submitted through <https://efast.sec.gov.ph/user/login>.

1. FORM MC 18 7. Completion Report
2. FORM 1 - MC 19 8. Certificate-SEC Form MCG- 2009
3. FORM 2- MC 19 9. Certificate-SEC Form MCG- 2002, 2020 ETC.
4. ACGR 10. Certification of Attendance in Corporate Governance
5. I-ACGR 11. Secretary's Certificate Meeting of Board Directors (Appointment)
6. MRPT

Please be informed that the submission of the abovementioned eleven (11) reports through the ictdsubmission@sec.gov.ph shall no longer be accepted. For further information, please access this link Notice for guidance on the filing of reports:

Likewise, the following reports shall be filed through the Electronic Filing and Submission Tool (eFAST) at <https://efast.sec.gov.ph/user/login> :

1. AFS 7. IHFS 13. SSF
2. GIS 8. LCFS 14. AFS with Affidavit of No Operation
3. BDFS 9. LCIF 15. AFS with NSPO Form 1,2, and 3
4. FCFS 10. OPC_AO 16. AFS with NSPO Form 1,2,3 and 4,5,6
5. FCIF 11. PHFS 17. FS - Parent
6. GFFS 12. SFFS 18. FS – Consolidated

For the submission and processing of compliance in the filing of Memorandum Circular No. 28 Series of 2020, please visit this link – <https://apps010.sec.gov.ph/>

For your information and guidance.

Thank you.



SECURITIES AND EXCHANGE COMMISSION

Secretariat Building, PICC Complex, Roxas Boulevard, Pasay City, 1307 Metro Manila Philippines

Tel: (632) 818-0921 Fax: (632) 818-5293 Email: mis@sec.gov.ph



Annex "E"

The following document has been received:

Receiving: Salvador Baculanta

Receipt Date and Time: February 23, 2023 12:19:42 PM

Company Information

SEC Registration No.: CS201407046

Company Name: AZALEA LEISURE RESIDENCES CORPORATION DOING BUSINESS UNDER THE NAME AND STYLE OF AZALEA VACATION CLUB

Industry Classification: H55000

Company Type: Stock Corporation

Document Information

Document ID: OST1022320238935653

Document Type: General Information Sheet

Document Code: GIS

Period Covered: June 01, 2022

Submission Type: GIS with Affidavit of Non-Holding of Annual Meeting

Remarks: None

Acceptance of this document is subject to review of forms and contents

GENERAL INFORMATION SHEET (GIS)

FOR THE YEAR 2022

STOCK CORPORATION

GENERAL INSTRUCTIONS:

1. FOR USER CORPORATION: THIS GIS SHOULD BE SUBMITTED WITHIN THIRTY (30) CALENDAR DAYS FROM THE DATE OF THE ANNUAL STOCKHOLDERS' MEETING. **DO NOT LEAVE ANY ITEM BLANK.** WRITE "N.A." IF THE INFORMATION REQUIRED IS NOT APPLICABLE TO THE CORPORATION OR "NONE" IF THE INFORMATION IS NON-EXISTENT. IF THE ANNUAL STOCKHOLDERS' MEETING IS HELD ON A DATE OTHER THAN THAT STATED IN THE BY-LAWS, THE GIS SHALL BE SUBMITTED WITHIN THIRTY (30) CALENDAR DAYS AFTER THE ELECTION OF THE DIRECTORS, TRUSTEES AND OFFICERS OF THE CORPORATION AT THE ANNUAL MEMBERS' MEETING.
2. IF NO MEETING IS HELD, THE CORPORATION SHALL SUBMIT THE GIS NOT LATER THAN JANUARY 30 OF THE FOLLOWING YEAR. HOWEVER, SHOULD AN ANNUAL STOCKHOLDERS' MEETING BE HELD THEREAFTER, A NEW GIS SHALL BE SUBMITTED/FILED.
3. THIS GIS SHALL BE ACCOMPLISHED IN ENGLISH AND CERTIFIED AND SWORN TO BY THE CORPORATE SECRETARY OF THE CORPORATION.
4. THE SEC SHOULD BE TIMELY APPRISED OF RELEVANT CHANGES IN THE SUBMITTED INFORMATION AS THEY ARISE. FOR CHANGES RESULTING FROM ACTIONS THAT AROSE BETWEEN THE ANNUAL MEETINGS, THE CORPORATION SHALL SUBMIT AMENDED GIS CONTAINING THE NEW INFORMATION TOGETHER WITH A COVER LETTER SIGNED THE CORPORATE SECRETARY OF THE CORPORATION. THE AMENDED GIS AND COVER LETTER SHALL BE SUBMITTED WITHIN SEVEN (7) DAYS AFTER SUCH CHANGE OCCURED OR BECAME EFFECTIVE.
5. SUBMIT FOUR (4) COPIES OF THE GIS TO THE RECEIVING SECTION AT THE SEC MAIN OFFICE, OR TO SEC SATELLITE OFFICES OR EXTENSION OFFICES. ALL COPIES SHALL UNIFORMLY BE ON A4 OR LETTER-SIZED PAPER. THE PAGES OF ALL COPIES SHALL USE ONLY ONE SIDE
6. ONLY THE GIS ACCOMPLISHED IN ACCORDANCE WITH THESE INSTRUCTIONS SHALL BE CONSIDERED AS HAVING BEEN FILED.
7. THIS GIS MAY BE USED AS EVIDENCE AGAINST THE CORPORATION AND ITS RESPONSIBLE DIRECTORS/OFFICERS FOR ANY VIOLATION OF EXISTING LAWS, RULES AND REGULATIONS

===== PLEASE PRINT LEGIBLY =====

CORPORATE NAME: AZALEA LEISURE RESIDENCES CORPORATION doing business under the name and style of Azalea Vacation Club		DATE REGISTERED: 4/11/2014	
BUSINESS/TRADE NAME: AZALEA LEISURE RESIDENCES CORPORATION doing business under the name and style of Azalea Vacation Club		FISCAL YEAR END: December 31	
SEC REGISTRATION NUMBER: CS201407046		CORPORATE TAX IDENTIFICATION NUMBER (TIN): 008-753-964	
DATE OF ANNUAL MEETING PER BY-LAWS: First Day of June of each year		WEBSITE/URL ADDRESS: N/A	
ACTUAL DATE OF ANNUAL MEETING: No meeting held		E-MAIL ADDRESS: N/A	
COMPLETE PRINCIPAL OFFICE ADDRESS: No. 76 PGM C Bldg., Calbayog St., Mandaluyong City		FAX NUMBER: N/A	
COMPLETE BUSINESS ADDRESS: No. 76 PGM C Bldg., Calbayog St., Mandaluyong City		ALTERNATE MOBILE NUMBER: 0998 589 4364	
OFFICIAL E-MAIL ADDRESS ian.dato@lawphil.ph	ALTERNATE E-MAIL ADDRESS mariel.yanogacio@lawphil.ph	OFFICIAL MOBILE NUMBER 0998 965 7889	ALTERNATE MOBILE NUMBER 0998 589 4364
NAME OF EXTERNAL AUDITOR & ITS SIGNING PARTNER:		SEC ACCREDITATION NUMBER (if applicable):	TELEPHONE NUMBER(S): 625-9219
PRIMARY PURPOSE/ACTIVITY/INDUSTRY PRESENTLY ENGAGED IN: To establish, maintain, and/or manage a membership club		INDUSTRY CLASSIFICATION:	GEOGRAPHICAL CODE:

===== INTERCOMPANY AFFILIATIONS =====

PARENT COMPANY	SEC REGISTRATION NO.	ADDRESS
N/A	N/A	N/A
SUBSIDIARY/AFFILIATE	SEC REGISTRATION NO.	ADDRESS
N/A	N/A	N/A

NOTE: USE ADDITIONAL SHEET IF NECESSARY

GENERAL INFORMATION SHEET

STOCK CORPORATION

PLEASE PRINT LEGIBLY

Corporate Name: **AZALEA LEISURE RESIDENCES CORPORATION** doing business under the name and style of **Azalea Vacation Club**

A. Is the Corporation a covered person under the Anti Money Laundering Act (AMLA), as amended? (Rep. Acts. 9160/9164/10167/10365) Yes No

Please check the appropriate box:

<p>1.</p> <ul style="list-style-type: none"> <input type="checkbox"/> a. Banks <input type="checkbox"/> b. Offshore Banking Units <input type="checkbox"/> c. Quasi-Banks <input type="checkbox"/> d. Trust Entities <input type="checkbox"/> e. Non-Stock Savings and Loan Associations <input type="checkbox"/> f. Pawnshops <input type="checkbox"/> g. Foreign Exchange Dealers <input type="checkbox"/> h. Money Changers <input type="checkbox"/> i. Remittance Agents <input type="checkbox"/> j. Electronic Money Issuers <input type="checkbox"/> k. Financial Institutions which Under Special Laws are subject to Bangko Sentral ng Pilipinas' (BSP) supervision and/or regulation, including their subsidiaries and affiliates. 	<p>4. <input type="checkbox"/> Jewelry dealers in precious metals, who, as a business, trade in precious metals</p>
<p>2.</p> <ul style="list-style-type: none"> <input type="checkbox"/> a. Insurance Companies <input type="checkbox"/> b. Insurance Agents <input type="checkbox"/> c. Insurance Brokers <input type="checkbox"/> d. Professional Reinsurers <input type="checkbox"/> e. Reinsurance Brokers <input type="checkbox"/> f. Holding Companies <input type="checkbox"/> g. Holding Company Systems <input type="checkbox"/> h. Pre-need Companies <input type="checkbox"/> i. Mutual Benefit Association <input type="checkbox"/> j. All Other Persons and entities supervised and/or regulated by the Insurance Commission (IC) 	<p>5. <input type="checkbox"/> Jewelry dealers in precious stones, who, as a business, trade in precious stone</p>
<p>3.</p> <ul style="list-style-type: none"> <input type="checkbox"/> a. Securities Dealers <input type="checkbox"/> b. Securities Brokers <input type="checkbox"/> c. Securities Salesman <input type="checkbox"/> d. Investment Houses <input type="checkbox"/> e. Investment Agents and Consultants <input type="checkbox"/> f. Trading Advisors <input type="checkbox"/> g. Other entities managing Securities or rendering similar services <input type="checkbox"/> h. Mutual Funds or Open-end Investment Companies <input type="checkbox"/> i. Close-end Investment Companies <input type="checkbox"/> j. Common Trust Funds or Issuers and other similar entities <input type="checkbox"/> k. Transfer Companies and other similar entities <input type="checkbox"/> l. Other entities administering or otherwise dealing in currency, commodities or financial derivatives based there on <input type="checkbox"/> m. Entities administering of otherwise dealing in valuable objects <input type="checkbox"/> n. Entities administering or otherwise dealing in cash Substitutes and other similar monetary instruments or property supervised and/or regulated by the Securities and Exchange Commission (SEC) 	<p>6. Company service providers which, as a business, provide any of the following services to third parties:</p> <ul style="list-style-type: none"> <input type="checkbox"/> a. acting as a formation agent of juridical persons <input type="checkbox"/> b. acting as (or arranging for another person to act as) a director or corporate secretary of a company, a partner of a partnership, or a similar position in relation to other juridical persons <input type="checkbox"/> c. providing a registered office, business address or accommodation, correspondence or administrative address for a company, a partnership or any other legal person or arrangement <input type="checkbox"/> d. acting as (or arranging for another person to act as) a nominee shareholder for another person
<p>B. Has the Corporation complied with the requirements on Customer Due Diligence (CDD) or Know Your Customer (KYC), record-keeping, and submission of reports under the AMLA, as amended, since the last filing of its GIS?</p>	<p><input type="radio"/> Yes <input checked="" type="radio"/> No</p>

GENERAL INFORMATION SHEET

STOCK CORPORATION

***** PLEASE PRINT LEGIBLY *****

CORPORATE NAME: AZALEA LEISURE RESIDENCES CORPORATION doing business under the name and style of Azalea Vacation Club

CAPITAL STRUCTURE

AUTHORIZED CAPITAL STOCK

	TYPE OF SHARES *	NUMBER OF SHARES	PAR/STATED VALUE	AMOUNT (PhP) (No. of shares X Par/Stated Value)
	Preferred D	1,074	2.50	17,217.50
TOTAL		5,240,442	TOTAL P	5,313,701.00

SUBSCRIBED CAPITAL

FILIPINO	NO. OF STOCK-HOLDERS	TYPE OF SHARES *	NUMBER OF SHARES	NUMBER OF SHARES IN THE HANDS OF THE PUBLIC **	PAR/STATED VALUE	AMOUNT (PhP)	% OF OWNERSHIP
		Preferred D	1,074		2.50	2,685.00	100%
TOTAL			1,551,910	TOTAL	TOTAL P	1,551,910.00	100%

FOREIGN (INDICATE BY NATIONALITY)	NO. OF STOCK-HOLDERS	TYPE OF SHARES *	NUMBER OF SHARES	NUMBER OF SHARES IN THE HANDS OF THE PUBLIC **	PAR/STATED VALUE	AMOUNT (PhP)	% OF OWNERSHIP
	N/A						
TOTAL				TOTAL	TOTAL P		
Percentage of Foreign Equity				TOTAL	TOTAL P	1,551,910.00	
TOTAL SUBSCRIBED P						1,551,910.00	

PAID-UP CAPITAL

FILIPINO	NO. OF STOCK-HOLDERS	TYPE OF SHARES *	NUMBER OF SHARES	PAR/STATED VALUE	AMOUNT (PhP)	% OF OWNERSHIP
TOTAL				TOTAL P		
FOREIGN (INDICATE BY NATIONALITY)	NO. OF STOCK-HOLDERS	TYPE OF SHARES *	NUMBER OF SHARES	PAR/STATED VALUE	AMOUNT (PhP)	% OF OWNERSHIP
	N/A					
TOTAL				TOTAL P	423,380,910.00	0%

NOTE: USE ADDITIONAL SHEET IF NECESSARY

* Common, Preferred or other classification

** Other than Directors, Officers, Shareholders owning 10% of outstanding shares.

GENERAL INFORMATION SHEET
STOCK CORPORATION

===== PLEASE PRINT LEGIBLY =====

CORPORATE NAME: AZALEA LEISURE RESIDENCES CORPORATION doing business under the name and style of Azalea Vacation Club

CAPITAL STRUCTURE

AUTHORIZED CAPITAL STOCK

	TYPE OF SHARES *	NUMBER OF SHARES	PAR/STATED VALUE	AMOUNT (PhP) (No. of shares X Par/Stated Value)
	Preferred D	6,887	2.50	17,217.50
TOTAL		5,240,442	TOTAL P	5,313,701.00

SUBSCRIBED CAPITAL

FILIPINO	NO. OF STOCK-HOLDERS	TYPE OF SHARES *	NUMBER OF SHARES	NUMBER OF SHARES IN THE HANDS OF THE PUBLIC **	PAR/STATED VALUE	AMOUNT (PhP)	% OF OWNERSHIP
		Preferred D	1,074		2.50	2,685.00	100%
TOTAL			1,551,910	TOTAL	TOTAL P	1,551,910.00	100%
FOREIGN (INDICATE BY NATIONALITY)	NO. OF STOCK-HOLDERS	TYPE OF SHARES *	NUMBER OF SHARES	NUMBER OF SHARES IN THE HANDS OF THE PUBLIC **	PAR/STATED VALUE	AMOUNT (PhP)	% OF OWNERSHIP
	N/A						
Percentage of Foreign Equity :				TOTAL	TOTAL	TOTAL P	
				TOTAL SUBSCRIBED P		1,551,910.00	

PAID-UP CAPITAL

FILIPINO	NO. OF STOCK-HOLDERS	TYPE OF SHARES *	NUMBER OF SHARES	PAR/STATED VALUE	AMOUNT (PhP)	% OF OWNERSHIP
TOTAL				TOTAL P		
FOREIGN (INDICATE BY NATIONALITY)	NO. OF STOCK-HOLDERS	TYPE OF SHARES *	NUMBER OF SHARES	PAR/STATED VALUE	AMOUNT (PhP)	% OF OWNERSHIP
	N/A					
TOTAL				TOTAL P	423,300,910.00	0%
				TOTAL PAID-UP P		

NOTE: USE ADDITIONAL SHEET IF NECESSARY

* Common, Preferred or other classification

** Other than Directors, Officers, Shareholders owning 10% of outstanding shares.

GENERAL INFORMATION SHEET

STOCK CORPORATION

PLEASE PRINT LEGIBLY

CORPORATE NAME: **AZALEA LEISURE RESIDENCES CORPORATION** doing business under the name and style of **Azalea Vacation Club**

DIRECTORS / OFFICERS

NAME/CURRENT RESIDENTIAL ADDRESS	NATIONALITY	INC'R	BOARD	GENDER	STOCK HOLDER	OFFICER	EXEC. COMM.	TAX IDENTIFICATION NUMBER
1. LONY R. CAPELLAN 71 Inocencio Street, Fairwoods Subdivision, Espeleta III, Imus Cavite	Filipino	N	C	F	Y	President/ CEO		108-292-683
2. VITTORIO P. LIM 82 Sanso Street, Corinthian Gardens, Quezon City	Filipino	N	M	M	Y		N/M	239-269-242
3. NICOLAS C. DIVINAGRACIA Block 1 Lot 23, Jackfruit Street, ULHA Village, Ulas, Davao City	Filipino	N	M	M	Y			929-390-662
4. MARIA PAZ I. DIOKNO 12 Juan Luna St., Area 2, UP Campus, Diliman, Quezon City	Filipino	N	M	F	Y			110-183-692
5. TERESA C. SECUYA 76 Calbayog Street, Highway Hills, Mandaluyong City	Filipino	N	M	F	Y	Treasurer	A/M	129-311-121
6. CHERRY T. ROCHA Tindalo Street, Mcmariano Village, Balatas, Naga City	Filipino	N	I	F	Y		A/C AND N/M	949-389-797
7. ROSARIO P. DELFIN 156 Tanguile Street, Ayala Alabang Village, Muntinlupa City	Filipino	N	I	F	Y		N/C	160-291-736
8. IAN NORMAN E. DATO West Tower 2106A Tektite Towers (Formerly: Philippine Stock Exchange Centre), Exchange Road, Ortigas Center, Pasig City	Filipino	N		M	N	Corporate Secretary		207-277-177
9. ROWENA C. CRAIG No. 76 PGMC Building, Calbayog Street, Highway Hills, Mandaluyong City	Filipino	N		F	N	Assistant Corporate Secretary		177-848-778
Nothing Follows								

INSTRUCTION:

FOR SEX COLUMN, PUT "F" FOR FEMALE, "M" FOR MALE.
 FOR BOARD COLUMN, PUT "C" FOR CHAIRMAN, "M" FOR MEMBER, "I" FOR INDEPENDENT DIRECTOR.
 FOR INC'R COLUMN, PUT "Y" IF AN INCORPORATOR, "N" IF NOT.
 FOR STOCKHOLDER COLUMN, PUT "Y" IF A STOCKHOLDER, "N" IF NOT.
 FOR OFFICER COLUMN, INDICATE PARTICULAR POSITION IF AN OFFICER, FROM VP UP INCLUDING THE POSITION OF THE TREASURER, SECRETARY, COMPLIANCE OFFICER AND/OR ASSOCIATED PERSON.
 FOR EXECUTIVE COMMITTEE, INDICATE "C" IF MEMBER OF THE COMPENSATION COMMITTEE; "A" FOR AUDIT COMMITTEE; "N" FOR NOMINATION AND ELECTION COMMITTEE. ADDITIONALLY WRITE "C" AFTER SLASH IF CHAIRMAN AND "M" IF MEMBER.

GENERAL INFORMATION SHEET
STOCK CORPORATION

===== PLEASE PRINT LEGIBLY =====	
CORPORATE NAME:	AZALEA LEISURE RESIDENCES CORPORATION doing business under the name and style of Azalea Vacation Club
TOTAL NUMBER OF STOCKHOLDERS:	9 NO. OF STOCKHOLDERS WITH 100 OR MORE SHARES EACH: 3
TOTAL ASSETS BASED ON LATEST AUDITED FINANCIAL STATEMENTS:	Php715,851,874

STOCKHOLDER'S INFORMATION

NAME, NATIONALITY AND CURRENT RESIDENTIAL ADDRESS	SHARES SUBSCRIBED				AMOUNT PAID (PhP)	TAX IDENTIFICATION NUMBER
	TYPE	NUMBER	AMOUNT (PhP)	% OF OWNERSHIP		
1. NICOLAS C. DIVINAGRACIA Filipino Block 1 Lot 23, Jackfruit Street, ULHA Village, Ulas, Davao City	COMMON	824,994	824,994.00	55%	824,994.00	929-390-662
	TOTAL	824,994	824,994.00			
2. FOG HORN, INC. Filipino 3rd Floor, PGM Building, 76 Calbayog cor. Libertad Sts., Mandaluyong City	COMMON	225,000	225,000.00	15%	56,250.00	228-690-663
	Preferred	35,442	51,910.00		422,447,160.00	
	TOTAL	260,442	276,910.00		422,503,410.00	
3. 8990 HOUSING DEVELOPMENT CORP. Filipino 8990 Bldg., Negros Street, Cebu Business Park, Cebu City	COMMON	450,000	450,000.00	30%	112,500.00	006-095-711
	TOTAL	450,000	450,000.00			
4. LONY R. CAPELLAN Filipino 71 Inocencio Street, Fairwoods Subdivision, Espeleta III, Imus Cavite	COMMON	1	1.00	NIL	1.00	108-292-683
	TOTAL	1	1.00			
5. ROSARIO P. DELFIN Filipino 156 Tanguile Street, Ayala Alabang Village, Muntinlupa City	COMMON	1	1.00	NIL	1.00	160-291-736
	TOTAL	1	1.00			
6. VITTORIO P. LIM Filipino 82 Sanso Street, Corinthian Gardens, Quezon City	COMMON	1	1.00	NIL	1.00	239-269-242
	TOTAL	1	1.00			
7. MARIA PAZ I. DIOKNO Filipino 12 Juan Luna St., Area 2, UP Campus, Diliman, Quezon City	COMMON	1	1.00	NIL	1.00	110-183-692
	TOTAL	1	1.00			
TOTAL AMOUNT OF SUBSCRIBED CAPITAL				100.00%		
TOTAL AMOUNT OF PAID-UP CAPITAL						

INSTRUCTION: SPECIFY THE TOP 20 STOCKHOLDERS AND INDICATE THE REST AS OTHERS

Note: For PDTC Nominee included in the list, please indicate further the beneficial owners owning more than 5% of any class of the company's voting securities. Attach separate sheet, if necessary.

GENERAL INFORMATION SHEET
STOCK CORPORATION

===== PLEASE PRINT LEGIBLY =====

CORPORATE NAME:	AZALEA LEISURE RESIDENCES CORPORATION doing business under the name and style of Azalea Vacation Club		
TOTAL NUMBER OF STOCKHOLDERS:	9	NO. OF STOCKHOLDERS WITH 100 OR MORE SHARES EACH:	3
TOTAL ASSETS BASED ON LATEST AUDITED FS:	Php715,851,874		

STOCKHOLDER'S INFORMATION

NAME, NATIONALITY AND CURRENT RESIDENTIAL ADDRESS	SHARES SUBSCRIBED				AMOUNT PAID (PhP)	TAX IDENTIFICATION NUMBER
	TYPE	NUMBER	AMOUNT (PhP)	% OF OWNERSHIP		
8. TERESA C. SECUYA Filipino 76 Calbayog Street, Highway Hills, Mandaluyong City	COMMON	1	1.00	NIL	1.00	129-311-121
	TOTAL	1	1.00			
9. CHERRY T. ROCHA Filipino Tindalo Street, Mcmariano Village, Balatas, Naga City	COMMON	1	1.00	NIL	1.00	949-389-797
	TOTAL	1	1.00			
Nothing Follows						
TOTAL AMOUNT OF SUBSCRIBED CAPITAL			1,551,910.00	0.00%	423,380,910.00	
TOTAL AMOUNT OF PAID-UP CAPITAL						

INSTRUCTION: SPECIFY THE TOP 20 STOCKHOLDERS AND INDICATE THE REST AS OTHERS

Note: For PDTC Nominee included in the list, please indicate further the beneficial owners owning more than 5% of any class of the company's voting securities. Attach separate sheet, if necessary.

GENERAL INFORMATION SHEET
STOCK CORPORATION

===== PLEASE PRINT LEGIBLY =====

CORPORATE NAME:		AZALEA LEISURE RESIDENCES CORPORATION doing business under the name and style of Azalea Vacation Club	
TOTAL NUMBER OF STOCKHOLDERS:	9	NO. OF STOCKHOLDERS WITH 100 OR MORE SHARES EACH:	3
TOTAL ASSETS BASED ON LATEST AUDITED FS:	Php715,851,874		

STOCKHOLDER'S INFORMATION

NAME, NATIONALITY AND CURRENT RESIDENTIAL ADDRESS	SHARES SUBSCRIBED				AMOUNT PAID (PhP)	TAX IDENTIFICATION NUMBER
	TYPE	NUMBER	AMOUNT (PhP)	% OF OWNER-SHIP		
	TOTAL					
	TOTAL					
	TOTAL					
	TOTAL					
OTHERS (Indicate the number of the remaining stockholders)						
	TOTAL					
TOTAL AMOUNT OF SUBSCRIBED CAPITAL				0.00%	0.00	
TOTAL AMOUNT OF PAID-UP CAPITAL						

INSTRUCTION: SPECIFY THE TOP 20 STOCKHOLDERS AND INDICATE THE REST AS OTHERS

Note: For PDTC Nominee included in the list, please indicate further the beneficial owners owning more than 5% of any class of the company's voting securities. Attach separate sheet, if necessary.

GENERAL INFORMATION SHEET
STOCK CORPORATION

===== PLEASE PRINT LEGIBLY =====			
CORPORATE NAME: AZALEA LEISURE RESIDENCES CORPORATION doing business under the name and style of Azalea Vacation Club			
1. INVESTMENT OF CORPORATE FUNDS IN ANOTHER CORPORATION	AMOUNT (PhP)	DATE OF BOARD RESOLUTION	
1.1 STOCKS	N/A	N/A	
1.2 BONDS/COMMERCIAL PAPER (Issued by Private Corporations)	N/A	N/A	
1.3 LOANS/ CREDITS/ ADVANCES	N/A	N/A	
1.4 GOVERNMENT TREASURY BILLS	N/A	N/A	
1.5 OTHERS	N/A	N/A	
2. INVESTMENT OF CORPORATE FUNDS IN ACTIVITIES UNDER ITS SECONDARY PURPOSES (PLEASE SPECIFY:)	DATE OF BOARD RESOLUTION	DATE OF STOCKHOLDERS RATIFICATION	
N/A	N/A	N/A	
3. TREASURY SHARES	NO. OF SHARES	% AS TO THE TOTAL NO. OF SHARES ISSUED	
	N/A		
4. UNRESTRICTED/UNAPPROPRIATED RETAINED EARNINGS AS OF END OF LAST FISCAL YEAR: 0			
5. DIVIDENDS DECLARED DURING THE IMMEDIATELY PRECEDING YEAR: N/A			
TYPE OF DIVIDEND	AMOUNT (PhP)	DATE DECLARED	
5.1 CASH	N/A	N/A	
5.2 STOCK	N/A	N/A	
5.3 PROPERTY	N/A	N/A	
TOTAL	P N/A	N/A	
6. ADDITIONAL SHARES ISSUED DURING THE PERIOD:			
DATE	NO. OF SHARES	AMOUNT	
N/A	N/A	N/A	
SECONDARY LICENSE/REGISTRATION WITH SEC AND OTHER GOV'T AGENCY:			
NAME OF AGENCY:	SEC	B S P	I C
TYPE OF LICENSE/REGN.	PERMIT TO OFFER SECURITIES FOR SALE	N/A	N/A
DATE ISSUED:	25-May-15	N/A	N/A
DATE STARTED OPERATIONS:	25-May-15	N/A	N/A
TOTAL ANNUAL COMPENSATION OF DIRECTORS DURING THE PRECEDING FISCAL YEAR (in PhP)	TOTAL NO. OF OFFICERS	TOTAL NO. OF RANK & FILE EMPLOYEES	TOTAL MANPOWER COMPLEMENT
0.00	4	0	4

NOTE: USE ADDITIONAL SHEET IF NECESSARY

I, **IAN NORMAN E. DATO**, Corporate Secretary of **AZALEA LEISURE RESIDENCES CORPORATION** doing business under the name and style of **Azalea Vacation Club** declare under penalty of perjury that all matters set forth in this GIS have been made in good faith, duly verified by me and to the best of my knowledge and belief are true and correct.

I hereby attest that all the information in this GIS are being submitted in compliance with the rules and regulations of the Securities and Exchange Commission (SEC) the collection, processing, storage and sharing of said information being necessary to carry out the functions of public authority for the performance of the constitutionally and statutorily mandated functions of the SEC as a regulatory agency.

I further attest that I have been authorized by the Board of Directors to file this GIS with the SEC.

I understand that the Commission may place the corporation under delinquent status for failure to submit the reportorial requirements three (3) times, consecutively or intermittently, within a period of five (5) years (*Section 177, RA No. 11232*).

Done this day of **JAN 30 2023**, 2022 in Quezon City.



IAN NORMAN E. DATO

(Signature over printed name)

SUBSCRIBED AND SWORN TO before me in Quezon City on **JAN 30 2023** by affiant who personally appeared before me and exhibited to me his/her competent evidence of identity consisting of his Tax Identification Number 207-277-177 issued at on .

Doc. No.: 732;
Page No.: 44;
Book No.: 11;
Series of 2022.

NOTARY PUBLIC



ATTY. MARIEL A. YANOGACIO
NOTARY PUBLIC FOR AND IN QUEZON CITY
323 A&B Spark Place Bldg. Cubao, Quezon City
ADM MATTER No. NP-163 (2022-2023)
Roll No. 57003
IBP Lifetime Member No. 014405, Pangasinan
PTR No. 3986762; 01/10 2023, Quezon City
MCLE Compliance No. VII-BEP003730, 24 March 2022
My Commission Expires on December 2023

BENEFICIAL OWNERSHIP DECLARATION

FOR THE YEAR: 2022

SEC REGISTRATION NUMBER:

CS201407046

CORPORATE NAME:

AZALEA LEISURE RESIDENCES CORPORATION doing business under the name and style of Azalea Vacation Club

Instructions:

1. Identify the Beneficial Owner/s of the corporation as described in the Categories of Beneficial Ownership in items A to I below. List down as many as you can identify. You may use an additional sheet if necessary.
2. Fill in the required information on the beneficial owner in the fields provided for.
3. In the "Category of Beneficial Ownership" column, indicate the letter(s) corresponding thereto. In the event that the person identified as beneficial owner falls under several categories, indicate all the letters corresponding to such categories.
4. If the category is under letter "I", indicate the position held (i.e., Director/Trustee, President, Chief Executive Officer, Chief Operating Officer, Chief Financial Officer, etc.).
5. Do not leave any item blank. Write "N/A" if the information required is not applicable or "NONE" if non-existent.

"Beneficial Owner" refers to any natural person(s) who ultimately own(s) or control(s) or exercise(s) ultimate effective control over the corporation. This definition covers the natural person(s) who actually own or control the corporation as distinguished from the legal owners. Such beneficial ownership may be determined on the basis of the following:

Category

Description

- A** Natural person(s) owning, directly or indirectly or through a chain of ownership, at least twenty-five percent (25%) of the voting rights, voting shares or capital of the reporting corporation.
- B** Natural person(s) who exercise control over the reporting corporation, alone or together with others, through any contract, understanding, relationship, intermediary or tiered entity.
- C** Natural person(s) having the ability to elect a majority of the board of directors/trustees, or any similar body, of the corporation.
- D** Natural person(s) having the ability to exert a dominant influence over the management or policies of the corporation.
- E** Natural person(s) whose directions, instructions, or wishes in conducting the affairs of the corporation are carried out by majority of the members of the board of directors of such corporation who are accustomed or under an obligation to act in accordance with such person's directions, instructions or wishes.
- F** Natural person(s) acting as stewards of the properties of corporations, where such properties are under the care or administration of said natural person(s).
- G** Natural person(s) who actually own or control the reporting corporation through nominee shareholders or nominee directors acting for or on behalf of such natural persons.
- H** Natural person(s) ultimately owning or controlling or exercising ultimate effective control over the corporation through other means not falling under any of the foregoing categories.
- I** Natural person(s) exercising control through positions held within a corporation (i.e., responsible for strategic decisions that fundamentally affect the business practices or general direction of the corporation such as the members of the board of directors or trustees or similar body within the corporation; or exercising executive control over the daily or regular affairs of the corporation through a senior management position). This category is only applicable in exceptional cases where no natural person is identifiable who ultimately owns or exerts control over the corporation, the reporting corporation having exhausted all reasonable means of identification and provided there are no grounds for suspicion.

COMPLETE NAME (Surname, Given Name, Middle Name, Name Extension (i.e., Jr., Sr., III))	SPECIFIC RESIDENTIAL ADDRESS	NATIONALITY	DATE OF BIRTH	TAX IDENTIFICATION NO.	% OF OWNERSHIP ¹ / % OF VOTING RIGHTS ²	TYPE OF BENEFICIAL OWNER ³ Direct (D) or Indirect (I)	CATEGORY OF BENEFICIAL OWNERSHIP
DIVINAGRACIA, NICOLAS C.	Block 1 Lot 23, Jackfruit Street, ULHA Village, Ulas, Davao City	FILIPINO		929-390-662	55%	D	A

Note: This page is not for uploading on the SEC IView.

¹ For Stock Corporations.

² For Non-Stock Corporations.

³ For Foreign Corporations.

REPUBLIC OF THE PHILIPPINES)
Quezon City) S.S

AFFIDAVIT OF NON-HOLDING OF ANNUAL STOCKHOLDERS' MEETING

I, **IAN NORMAN E. DATO**, of legal age, Filipino, with office address at West 2106A Tektite Towers, Exchange Road, Ortigas Center, Pasig City, after having been duly sworn in accordance with law, depose and state that:

1. I am the duly elected and incumbent Corporate Secretary of **AZALEA LEISURE RESIDENCES CORPORATION** doing business under the name and style of **AZALEA VACATION CLUB** (the "Corporation"), a corporation duly organized and existing under Philippine laws, with principal office address at No. 76 PGMC Building, Calbayog Street, Mandaluyong City;

2. Pursuant to the Corporation's Bylaws, the annual stockholders' meeting is to be held every 1st day of June each year;

3. On 02 May 2022, the Board of Directors of the Corporation agreed to postpone the annual stockholders' meeting to a later date in 2022;

4. However, due to the adverse economic effects of the pandemic to the Corporation, the Corporation was unable to hold its annual stockholders' meeting for the year 2022;

5. Hence, there is no movement in the General Information Statement of the Corporation for the year 2022, as attached herewith; and,

6. I am executing this affidavit to attest to the fact of the foregoing circumstances and for submission to the Securities and Exchange Commission as required.

IN WITNESS WHEREOF, this Certificate has been signed JAN 30 day of 2023
_____ in Quezon City

(Signature)
IAN NORMAN E. DATO
Affiant

SUBSCRIBED AND SWORN TO before me this JAN 30 2023 at
Quezon City Philippines by affiant who presented his Tax Identification
Number 207-277-1777-000.

Doc. No. 737 ;
Page No. 45 ;
Book No. 11 ;
Series of 2023.

(Signature)
ATTY. MARIEL A. MANOGACIO
NOTARY PUBLIC FOR AND IN QUEZON CITY
323 A&B Spark Place Bldg. Cubao, Quezon City
ADM MATTER No. NP-163 (2022-2023)
Roll No. 57003
IBP Lifetime Member No. 014405, Pangasinan
PTR No. 3986762; 01/10 2023, Quezon City
MCLE Compliance No. VII-BEP003730; 24 March 2022
My Commission Expires on December 2023

**MINUTES OF THE SPECIAL MEETING
OF THE BOARD OF DIRECTORS
OF AZALEA LEISURE RESIDENCES CORPORATION
doing business under the name and style of Azalea Vacation Club
Held on 2 May 2022 in Mandaluyong City
(through Teleconference)**

PRESENT DIRECTORS

LONY R. CAPELLAN (Chairman/Director)
VITTORIO P. LIM (Director)
MARIA PAZ I. DIOKNO (Director)
TERESA C. SECUYA (Director)
CHERRY T. ROCHA (Independent Director)
ROSARIO P. DELFIN (Independent Director)

IAN NORMAN E. DATO (Corp. Secretary)

I. CALL TO ORDER

The Chairman, Ms. Lony R. Capellan, called the meeting to order and presided over the same. The Corporate Secretary, Ian Norman E. Dato, recorded the minutes of the proceedings.

II. CERTIFICATION OF QUORUM

At the request of the Chairman, the Corporate Secretary informed the Board that all directors are attending the meeting through teleconferencing. Each of the directors confirmed that he/she could completely and clearly hear the other participants who could also clearly hear him/her from the other end of the line. Each of them also confirmed that they had been furnished copies of the agenda of the meeting. The Corporate Secretary further certified that at least a majority of the directors of the Corporation were present at that meeting and that there was therefore a quorum.

III. POSTPONEMENT OF THE ANNUAL STOCKHOLDERS' MEETING

The Chairman called the attention of the stockholders present and manifested that the meeting was called to discuss about the Annual Stockholders' Meeting, which per the By-laws, is to be held every 1st day of June of the year.

After deliberation, the members of the Board of Directors of the Corporation unanimously resolved to postpone its Annual Stockholders' Meeting to the latter part of this year. The Board further resolved that the new date of the Annual Stockholders' Meeting shall be set during its subsequent meetings.

Thereafter, it has been –

RESOLVED, that the Corporation's Annual Stockholders' Meeting, which per the By-laws, is to be held every 1st day of June of the year shall be postponed to the latter part of the year, and,

RESOLVED, FINALLY, that the new date of the Annual Stockholders' Meeting shall be set during its subsequent Board meetings.

CERTIFIED CORRECT:



ATTY. IAN NORMAN E. DATO
Secretary of the Meeting

ATTESTED BY:



LONY R. CAPELLAN
Chairman of the Meeting

(STOCK)

**BY-LAWS
OF
AZALEA LEISURE RESIDENCES CORPORATION**

**ARTICLE I
NAME OF THE CLUB**

Section 1. Name. – The name of the Corporation shall be Azalea Leisure Residences Corporation (the "Corporation") and the name of the membership resort and vacation club that the Corporation owns, operates, maintains, and manages pursuant to its primary purpose shall be determined by its Board of Directors (the "Club").

**ARTICLE II
CLASSES OF SHARES**

Section 1. Classes of Shares. – There shall be Common Shares and Preferred Shares. Preferred Shares shall have four classes identified as Preferred Shares A, Preferred Shares B, Preferred Shares C, and Preferred Shares D.

Section 2. Common Shares. – Only Common Shares shall have voting rights. Holders of Common Shares are entitled to vote and be voted for in all meetings of the shareholders of the Corporation where such vote is called for, including the election, whether regular or special, of the Board of Directors of the Corporation.

Section 3. Preferred Shares. – Holders of Preferred Shares shall be entitled to such membership rights to the Club as are provided in the Articles of Incorporation, the By-Laws, the Club Rules, and rules and regulations promulgated by the Board of Directors. Preferred Shareholders shall have no voting rights. They shall not be entitled to vote or be voted for in all meetings of the shareholders of the Corporation where such vote is called for, unless otherwise required by applicable laws. No dividends shall be declared in their favor, but they shall be entitled to a pro-rata share in the assets of the Corporation at the time of its dissolution or liquidation. Preferred Shareholders shall not have any pre-emptive or similar right with respect to the issuance or disposition of any shares of stock by or for the Corporation.

Section 4. Classes of Preferred Shares. – Preferred shares are classified into Preferred Shares A, Preferred Shares B, Preferred Shares C, and Preferred Shares D.

(a) Holders of Preferred Shares A are entitled to one (1) membership rights to the Club as defined in the Articles of Incorporation, the By-Laws, the Club Rules, and rules and regulations promulgated by the Board of Directors, including the right to use one (1) deluxe unit in any of the Club's hotels and resorts and enjoy all available amenities and facilities of the Club during the said use for one (1) day per calendar year.

(b) Holders of Preferred Shares B are entitled to one (1) membership right to the Club as defined in the Articles of Incorporation, the By-Laws, the Club Rules, and rules and regulations promulgated by the Board of Directors, including the right to use one (1) one-bedroom unit in any of the Club's hotels and resorts and enjoy all available amenities and facilities of the Club during the said use for one (1) day per calendar year.

(c) Holders of Preferred Shares C are entitled to one (1) membership right to the Club as defined in the Articles of Incorporation, the By-Laws, the Club Rules, and rules and regulations promulgated by the Board of Directors, including the right to use one (1) two-bedroom unit in any of the Club's hotels and resorts and enjoy all available amenities and facilities of the Club during the said use for one (1) day per calendar year.

(d) Holders of Preferred Shares D are entitled to one (1) membership right to the Club as defined in the Articles of Incorporation, the By-Laws, the Club Rules, and rules and regulations promulgated by the Board of Directors, including the right to use one (1) three-bedroom unit in any of the Club's hotels and resorts and enjoy all available amenities and facilities of the Club during the said use for one (1) day per calendar year.

Section 5. Ownership of Shares. – Ownership of shares shall be evidenced by a Share Certificate. The Share Certificate shall represent only the rights mentioned therein, in the Articles of Incorporation, the By-Laws, the Club Rules, and the Prospectus. The Share Certificate shall be issued within sixty (60) days from the date of the full payment of the share, subject to Section 2, Article IV of the By-Laws.

ARTICLE III CLUB MEMBERSHIP

Section 1. Club Membership. – Membership in the Club is a right that is subject to such restrictions, limitations, and obligations as may be imposed by the Club in accordance with the Articles of Incorporation, the By-Laws, the Club Rules, and the rules and regulations promulgated by the Board of Directors. A Member of the Club shall be entitled to enjoy the rights, benefits, and privileges pertaining to his class of Preferred Shares. A membership right, as used in the Articles of Incorporation, the By-Laws, and the Club Rules, pertains to the right to use any of the Club's hotels and resorts in any location in the Philippines for one (1) day per calendar year and to enjoy all available amenities and facilities of the Club during the said use. As the Club expands and improves, the Club Member is eligible to avail of and enjoy the new facilities and services, subject to the guidelines, policies, and rules and regulations promulgated by the Board of Directors.

Section 2. Membership Certificate. – A purchaser of the Corporation's preferred shares is qualified to become a Member of the Club. Subject to such requirements as may be prescribed by the Board of Directors, a Preferred Shareholder will become a Member of the Club. A Member of the Club shall receive a Membership Certificate.

Section 3. Membership Dues. – Every Member of the Club shall pay the monthly Membership Dues. Monthly Membership Dues shall mean fees or dues owed and paid to the Club by the Members on a monthly basis to meet the expenses for the general operations of the Club and the maintenance and improvement of its premises, amenities, and facilities. The term does not include such bills and charges for specific services and facilities availed of or goods purchased by the Member, which are available in the Club for a fee.

The Board of Directors shall fix and review from time to time the amount of Membership Dues, the fees charged for the actual use or enjoyment of some services and facilities of the Club, and other charges that the Board of Directors may see fit to impose.

Non-payment of Membership Dues or other dues and charges, after demand by the Board of Directors or any corporate officer, is a ground for disciplinary action.

Section 4. Disciplinary Action. – For violation of the By-Laws or the Club Rules or the rules and regulations promulgated by the Board of Directors, or for the commission by the Member or his privies of an act or conduct which is disorderly, injurious to the interest or repugnant to the objectives of or otherwise prejudicial to the Club, the offending or erring Member may be subjected to disciplinary actions by a majority vote of the Board of Directors. If the gravity of the violation or infraction so warrants, the offending or erring Member may be suspended by a vote of two-thirds (2/3), or expelled by a vote of three-fourths (3/4), of the Board of Directors upon proper notice and hearing.

Section 5. Suspension. – A Member who has been suspended shall be disqualified from enjoying all the rights and privileges of membership, but shall continue to be liable for the obligations of membership for the duration of the suspension. No Member shall be suspended for a period longer than six (6) months.

Section 6. Expulsion. – A Member who is expelled shall be permanently disqualified from enjoying all of the rights of membership, without prejudice to the right of the Club to claim any unsettled obligations of the expelled Member. When the Order of Expulsion is made final by a decision of the Board of Directors, the Share Certificate and the Membership Certificate of the expelled Member shall be cancelled. The preferred share or shares of the expelled Member shall revert to the Corporation.

ARTICLE IV SUBSCRIPTION, ISSUANCE AND TRANSFER OF SHARES

Section 1. Subscriptions. - Subscribers to the capital stock of the Corporation shall pay the value of the stock in accordance with the terms and conditions prescribed by the Board of Directors. Unpaid subscriptions shall not earn interest, unless determined by the Board of Directors.

Section 2. Share Certificate. - Each stockholder shall be entitled to one or more Share Certificates for such fully paid stock subscription in his name in the

books of the Corporation. The certificates shall contain the matters required by law and the Articles of Incorporation. They shall be in such form and design as may be determined by the Board of Directors and numbered consecutively. The certificate shall be signed by the President, countersigned by the Secretary or Assistant Secretary, and sealed with the corporate seal.

The Corporation shall issue the Share Certificate to the shareholder within sixty (60) days from full payment of the subscription price, free from liens and encumbrances; provided that the concerned party has obtained from the Bureau of Internal Revenue ("BIR") the appropriate Certificate/s Authorizing Registration ("CAR") within the 60-day period. If the CAR is obtained beyond the 60-day period, the Corporation shall immediately issue the Share Certificate within five (5) days from obtaining the CAR.

Section 3. *Transfer of Shares.* - Subject to the restrictions, terms, and conditions contained in the Articles of Incorporation, shares may be transferred, sold, assigned or pledged by delivery of the certificates duly indorsed by the shareholder, his attorney-in-fact or other legally authorized person. The transfer shall be valid and binding on the Corporation only upon the recording thereof in the books of the Corporation, the cancellation of the certificate surrendered to the Secretary, and the issuance of a new Share Certificate to the transferee.

No shares of stock against which the Corporation holds an unpaid claim shall be transferable in the books of the Corporation.

All certificates surrendered for transfer shall be stamped "Cancelled" on the face thereof, together with the date of cancellation, and attached to the corresponding stub with the certificate book.

Section 4. *Lost Certificates.* - In case any certificate for the capital stock of the Corporation is lost, stolen or destroyed, a new certificate may be issued in lieu thereof in accordance with the procedure prescribed under Section 73 of the Corporation Code.

Section 5. *Transfer or Replacement Fees and Charges.* - Any transfer or replacement of Share Certificates and/or Membership Certificates shall be charged a Transfer Fee to be imposed on the transferor in an amount determined by the Board of Directors.

ARTICLE V MEETINGS OF SHAREHOLDERS

Section 1. *Annual Meeting of Shareholders.* - Unless otherwise determined by the Board of Directors, the annual meeting of the shareholders, for the purpose of electing directors and for the transaction of such business as may properly come before the meeting, shall be held at the principal office of the Corporation on the first (1st) day of June of each year; if a legal holiday, then on the day following.

Section 2. *Special Meetings.* – Special meetings of shareholders, for any purpose or purposes, may at any time be called by any of the following: (a) the Board of Directors, at its own instance, or at the written request of shareholders representing a majority of the outstanding capital stock; or (b) the Chairman of the Board of Directors; or (c) the President.

Section 3. *Place of Meeting.* – Meetings of shareholders, whether regular or special, shall be held at the principal office of the Corporation or at any place designated by the Board of Directors in the city where the principal office of the Corporation is located.

Section 4. *Notice of Meeting.* – Notices for regular or special meetings of shareholders may be sent by the Secretary: (a) by personal delivery; or (b) by mail at least two (2) weeks prior to the date of the meeting to each shareholder of record at his last known address; or (c) by publication in a newspaper of general circulation. The notice shall state the place, date and hour of the meeting as well as the purpose or purposes for which the meeting is called.

When the meeting of the shareholders is adjourned to another time and place, it shall not be necessary to give any notice of the adjourned meeting if the time and place to which the meeting is adjourned are announced at the meeting at which the adjournment is taken. At the reconvened meeting, any business may be transacted that might have been transacted on the original date of the meeting.

Section 5. *Quorum.* – Unless otherwise provided by law, in all regular or special meetings of shareholders, the presence in person or by proxy of a majority of the outstanding capital stock shall constitute a quorum for the transaction of corporate business. In the absence of a quorum, any officer entitled to preside at such meeting or to act as secretary thereof, or a majority of the shareholders attending or represented at the time and place at which the meeting shall have been called, may adjourn such meeting until the requisite amount of stock shall be present.

Section 6. *Conduct of Meeting.* – Meetings of shareholders shall be presided over by the Chairman of the Board, or in his absence, by the relevant corporate officers present, or if none by a chairman to be chosen by the shareholders. The Secretary shall act as secretary of every meeting, but if not present, the chairman of the meeting shall appoint a secretary of the meeting. The chairman of the meeting may adjourn the meeting from time to time, without notice other than that announced at the meeting.

Section 7. *Manner of Voting and Proxies.* – At the meetings of shareholders, all Common Shareholders in good standing shall have the right to vote in person or by proxy executed in writing by the shareholder or his duly authorized attorney-in-fact. Unless otherwise provided in the proxy, it shall be valid only for the meeting at which it has been presented to the Secretary.

All proxies must be in the hands of the Secretary at least ten (10) days before the time set for the meeting. Such proxies filed with the Secretary may be revoked by the relevant shareholders either in an instrument in writing duly presented and

recorded with the Secretary prior to the scheduled meeting, or by their personal presence at the meeting.

Section 8. Closing of Transfer Books. – For the purpose of determining the shareholders entitled to notice of, or to vote at, any meeting of shareholders or any adjournment thereof, or of making a determination of shareholders for any purpose, the Board of Directors may provide that the stock and transfer book be closed for ten (10) working days immediately preceding such meeting.

ARTICLE VI BOARD OF DIRECTORS

Section 1. Powers of the Board. – Unless otherwise provided by law, the corporate powers of the Corporation shall be exercised, all business conducted, and all property of the Corporation controlled and held by the Board of Directors to be elected exclusively by and from among the holders of Common Shares. Without prejudice to such powers as may be granted by law and in addition to other powers expressly conferred in other sections of the By-Laws, the Board of Directors shall also have the following powers:

- a. From time to time, to make and change rules and regulations not inconsistent with the By-Laws for the management of the Corporation's business and affairs;
- b. To purchase, receive, take or otherwise acquire for and in the name of the Corporation, any and all properties, rights or privileges, including securities and bonds of other corporations, as the transaction of the business of the Corporation may reasonably or necessarily require, for such consideration and upon such terms and conditions as the Board of Directors may deem proper or convenient;
- c. To invest the funds of the Corporation in other corporations or business or for any purpose or purposes other than those for which the Corporation was organized, whenever in the judgment of the Board of Directors the interest of the Corporation would be promoted thereby, subject to such shareholders' approval as may be required by law;
- d. To incur such indebtedness as the Board of Directors may deem necessary, to make and issue evidence of indebtedness, including without limitation notes, deeds of trust, bonds, debentures or securities, subject to such shareholders' approval as may be required by law, and/or pledge, mortgage or otherwise encumber all or part of the properties of the Corporation;
- e. To guarantee, for and in behalf of the Corporation, obligations of other corporations or entities in which it has lawful interest;
- f. To make provisions for the discharge of the obligations of the Corporation as they mature, including payment in the form of property or in

stocks, bonds, debentures or securities of the Corporation lawfully issued for the purpose.

g. To sell, lease, exchange, assign, transfer or otherwise dispose of any property, real or personal, belonging to the Corporation whenever in the judgment of the Board of Directors, the Corporation's interest would be promoted thereby;

h. To establish pension, retirement, bonus or other types of incentives or compensation plans for the employees, including officers and directors, of the Corporation and to determine the persons to participate in any such plans and the amount of their respective participation in any such plans;

i. To prosecute, maintain, defend, compromise or abandon any lawsuit in which the Corporation or its officers are either plaintiffs or defendants in connection with the business of the Corporation;

j. To delegate, from time to time, any of the powers of the Board of Directors which may lawfully be delegated in the course of the current business or businesses of the Corporation to any standing or special committee or to any officer or agent and to appoint any person to be an agent of the Corporation with such powers (including the power to sub-delegate) and upon such terms as may be deemed fit;

k. To implement the By-Laws and to act on any matter not covered by the By-Laws, provided such matter does not require the approval or consent of the shareholders under any existing law, rules or regulations.

Section 2. Election and Term. – The Board of Directors shall be elected during each annual meeting of shareholders and shall hold office for one (1) year and until their successors are elected and qualified. Only Common Shareholders may vote for, and be voted upon as, members of the Board of Directors.

Section 3. Independent Directors. – There shall be at least two (2) independent directors or such number of independent directors as shall constitute at least twenty percent (20%) of the members of the Board of Directors, whichever is less. An independent director is a person who, apart from his fees and shareholdings, is independent of management and free from any business or other relationship which could, or could reasonably be perceived to, materially interfere with his exercise of independent judgment in carrying out the responsibilities of a director of the Corporation and includes, among others, any person who:

a. Is not a director or officer or substantial shareholder of the Corporation or its related companies or any of its substantial shareholders except when he is an independent director of the foregoing;

b. Does not own more than two percent (2%) of the shares of the Corporation and/or its related companies or any of its substantial shareholders;

c. Is not related to any director, officer or substantial shareholder of the Corporation or any of the related companies or substantial shareholders of the

Corporation. For this purpose, relatives include spouse, parent, child, brother, sister and the spouse of such child, brother or sister;

d. Is not acting as a nominee or representative of any director or substantial shareholder of the Corporation, and/or any of its related companies and/or any of its substantial shareholders pursuant to a Deed of Trust or under any contract or arrangement;

e. Has not been employed in any executive capacity by the Corporation, any of its related companies and/or by any of its substantial shareholders within the last two (2) years;

f. Is not retained, either personally or through his firm or any similar entity, as professional adviser by the Corporation, any of its related companies and/or any of its substantial shareholders within the last two (2) years; or

g. Has not engaged and does not engage in any transaction with the Corporation and/or with any of its related companies and/or with any of its substantial shareholders, whether by himself and/or with other persons and/or through a firm of which he is a partner and/or a company of which he is a director or substantial shareholder, other than transactions which are conducted at arms length and are immaterial or insignificant.

Section 4. Qualifications of an Independent Director. – An independent director must be at least a college graduate and possess integrity, probity, and assiduousness.

Section 5. Disqualifications of an Independent Director. – The following persons shall be disqualified from being nominated and elected as independent director:

a. Those convicted by final judgment of an offense punishable by imprisonment for a period exceeding six (6) years, or a violation of the Securities and Regulations Code ("SRC"), committed within five (5) years prior to the date of his election, without prejudice to such other disqualifications which the Corporation's Manual on Corporate Governance provides.

b. Those disqualified pursuant to SEC Memorandum Circular No. 6 (series of 2009), also known as the "Revised Code of Corporate Governance".

Section 6. Nomination and election of Independent Directors. – The nomination and election of Independent Directors shall follow the rules and guidelines prescribed in SEC Memorandum Circular No. 16 (series of 2002).

Section 7. Vacancies. – Any vacancy occurring in the Board of Directors other than by removal by the shareholders or by expiration of term, may be filled by the vote of at least a majority of the remaining directors, if still constituting a quorum; otherwise, the vacancy must be filled by the shareholders eligible to vote at a meeting of shareholders called for the purpose. A director so elected to fill a vacancy shall be elected only for the unexpired term of his predecessor in office.

Any directorship to be filled by reason of an increase in the number of directors shall be filled only by an election at a regular or special meeting of the

shareholders duly called for the purpose, or in the same meeting authorizing the increase of directors if so stated in the notice of the meeting.

The vacancy resulting from the removal of a director by the shareholders in the manner provided by law may be filled by election at the same meeting of shareholders without further notice, or at any regular or special meeting of shareholders called for the purpose, after giving notice as prescribed in the By-Laws.

Section 8. Meetings. – Regular meetings of the Board of Directors shall be held once every quarter of the year on such dates and at such times and places as may be designated by the Chairman of the Board, or in his absence, by the President, or upon the request of a majority of the directors. Special meetings of the Board of Directors shall be held at any time and at any place upon the call of the Chairman of the Board, or in his absence, by the President, or upon the request of a majority of the directors.

Section 9. Notice. – Notice of the regular or special meeting of the Board of Directors specifying the date, time, and place of the meeting shall be communicated by the Secretary to each director personally, or by telephone, facsimile, text message, or by written or oral message. A director may waive this requirement, either expressly or impliedly.

Section 10. Quorum. – A majority of the number of directors as fixed in the Articles of Incorporation shall constitute a quorum for the transaction of corporate business, and every decision of at least a majority of the directors present at a meeting at which there is a quorum shall be valid as a corporate act, except for the election of officers which shall require the vote of a majority of all the members of the Board of Directors.

Section 11. Conduct of Meetings. – Meetings of the Board of Directors shall be presided over by the Chairman of the Board, or in his absence, by any other director chosen by the Board of Directors who will act as chairman of the meeting. The Secretary shall act as secretary of every meeting; if not present, the chairman of the meeting shall appoint the secretary of the meeting.

Section 12. Compensation. – By resolution of the Board of Directors, each director shall receive a reasonable per diem allowance for his attendance at each meeting of the Board of Directors. As compensation and subject to the approval by a majority of the Common Shareholders at a regular or special meeting called for the purpose, the Board of Directors may receive and allocate an amount of not more than ten percent (10%) of the net income before income tax of the Corporation during the preceding year. Such compensation shall be determined and apportioned among the directors in such manner as the Board of Directors may deem proper.

Section 13. Audit Committee. – The Audit Committee shall be composed of at least three (3) directors, preferably with accounting and finance background and at least one of whom shall have related audit experience. The Audit Committee shall be headed by a Chairman who shall be responsible for inculcating in the members of the Board of Directors the importance of maintaining a sound system of internal control and exercising the oversight responsibility of the Board of Directors.

The Audit Committee shall have the following functions:

- a. Provide oversight over the senior management's activities in managing credit, market, liquidity, operational, legal and other risks of the Corporation. This function shall include receiving from senior management periodic information on risk exposures and risk management activities.
- b. Provide oversight of the Corporation's internal and external auditors.
- c. Review and approve audit scope and frequency, and the annual internal audit plan.
- d. Discuss with the external auditor before the audit commences the nature and scope of the audit, and ensure coordination where more than one (1) audit firm is involved.
- e. Be responsible for the formation of an internal audit department and consider the appointment of an internal auditor as well as an independent external auditor, the audit fee, and any question of resignation or dismissal.
- f. Monitor and evaluate the adequacy and effectiveness of the Corporation's internal control system.
- g. Receive and review reports of internal and external auditors and regulatory agencies, where applicable, as well as ensure that management is taking appropriate corrective actions, in a timely manner in addressing control and compliance functions with regulatory agencies.
- h. Review the quarterly, half-year, and annual financial statements before submission to the Board of Directors, focusing particularly on:
 - h.1. Any change/s in accounting policies and practices
 - h.2. Major judgmental areas
 - h.3. Significant adjustments resulting from the audit
 - h.4. Going concern assumption
 - h.5. Compliance with accounting standards
 - h.6. Compliance with tax, legal, and other requirements
- i. Be responsible for coordinating, monitoring and facilitating compliance with existing laws, rules and regulations. It may constitute a Compliance Unit for this purpose.
- j. Evaluate and determine non-audit work by the external auditor and keep under review the non-audit fees paid to the external auditor both in relation to their significance to the auditor and in relation to the Corporation's total expenditure on consultancy. The non-audit work should be disclosed in the annual report.
- k. Establish and identify the reporting line of the chief audit executive so that the reporting level allows the internal audit activity to fulfill its responsibilities. The chief audit executive of the Corporation shall report directly to the Audit Committee functionally. The Audit Committee shall ensure that the internal auditors shall have free and full access to the Corporation's records, properties, and personnel relevant to the internal audit activity and that the internal audit activity shall be free from interference in determining the scope of internal auditing examinations, in performing its work, and in communicating results.

ARTICLE VII OFFICERS

Section 1. Election. - Immediately after their election, the Board of Directors shall formally organize by electing the Chairman of the Board, the President, the Treasurer, and the Secretary at the said meeting.

The Board of Directors may, from time to time, appoint such other officers as it may deem necessary or proper.

The same person may hold concurrently any two (2) or more positions, except that no one shall act as President and Treasurer or Secretary at the same time.

Section 2. Chairman of the Board. – The Chairman of the Board shall preside at the meetings of the directors and the shareholders.

Section 3. President. – The President, who shall be a director, shall be the Chief Executive Officer of the Corporation and shall have administration and direction of the day-to-day business affairs of the Corporation. He shall exercise the following functions:

- a. To preside at the meetings of the Board of Directors and of the shareholders in the absence of the Chairman of the Board of Directors;
- b. To initiate and develop corporate objectives and policies and formulate long-range projects, plans and programs for the approval of the Board of Directors, including those for executive training, development, and compensation;
- c. To supervise and manage the business affairs and property of the Corporation upon the direction of the Board of Directors;
- d. To implement the administrative and operational policies of the Corporation under his supervision and control;
- e. Subject to the guidelines prescribed by law, to appoint, remove, suspend or discipline employees of the Corporation, prescribe their duties, and determine their salaries;
- f. To oversee the preparation of the budgets and statements of accounts of the Corporation;
- g. To represent the Corporation at all functions and proceedings;
- h. To execute on behalf of the Corporation all contracts, agreements and other instruments affecting the interests of the Corporation which require the approval of the Board of Directors, except as otherwise directed by the Board of Directors;
- i. To make reports to the Board of Directors and shareholders;

- j. To sign certificates of stock; and
- k. To perform such other duties as are incident to his office or are entrusted to him by the Board of Directors or the Chairman of the Board.

The President may assign the exercise or performance of any of the foregoing powers, duties, and functions to any other corporate officer, subject always to his supervision and control.

Section 4. Secretary. - The Secretary shall be a resident and a citizen of the Philippines. He shall have custody of and shall maintain the corporate books and records. He shall be the recorder of the Corporation's formal actions and transactions. He shall have the following specific powers and duties:

- a. To record or supervise the proper recording of the minutes and transactions of all meetings of the directors and the shareholders and to maintain minute books of such meetings in the form and manner required by law;
- b. To keep record books showing the details required by law with respect to the stock certificates of the Corporation, including ledgers and transfer books showing all shares of the Corporation subscribed, issued, and transferred;
- c. To keep the corporate seal and affix it to all papers and documents requiring a seal, and to attest by his signature all corporate documents requiring the same;
- d. To attend to the giving and serving of all notices of the Corporation which are required by law or the By-Laws to be given;
- e. To certify to such corporate acts, countersign corporate documents or certificates, and make reports or statements as may be required of him by law or by government rules and regulations;
- f. To act as inspector at the election of the directors and, as such, to determine the number of shares of stock outstanding and entitled to vote, the shares of stock represented at the meeting, the existence of a quorum, the validity and effect of proxies, and to receive votes, ballots or consents, hear and determine all challenges and questions in connection with the right to vote, count and tabulate all votes, determine the result, and do such acts as are proper to conduct the election or vote; and
- g. To perform such other duties as are incident to his office or as may be assigned to him by the Board of Directors, the Chairman of the Board, or the President.

The Secretary may assign the exercise or performance of any or all of the foregoing duties, powers, and functions to any other person or persons, subject always to his supervision and control.

Section 5. Treasurer. - The Treasurer of the Corporation shall be the custodian of its funds, securities, and property. He shall have the following duties:

- a. To keep full and accurate accounts of receipts and disbursements in the books of the Corporation;
- b. To have custody of, and be responsible for, all the funds, securities, and bonds of the Corporation;
- c. To deposit in the name and to the credit of the Corporation, in such banks as may be designated from time to time by the Board of Directors, all the moneys, funds, securities, bonds, and similar valuable effects belonging to the Corporation which may come under his control;
- d. To render annual statements showing the financial condition of the Corporation and such other financial reports as the Board of Directors, the Chairman of the Board, or the President may require from time to time;
- e. To prepare such financial reports, statements, certifications and other documents which may, from time to time, be required by government rules and regulations and to submit the same to the proper government agencies; and
- f. To exercise such powers and perform such duties and functions as may be assigned to him by the Board of Directors, the Chairman of the Board, or the President.

Section 6. Term of Office. - The term of office of all officers shall be one (1) year and until their successors are duly elected and qualified. Such officers may however be sooner removed by the Board of Directors, with or without cause.

Section 7. Vacancies. - If any position of the officers becomes vacant by reason of death, resignation, disqualification, or any other cause, the Board of Directors, by majority vote, may elect a successor who shall hold office for the unexpired term.

Section 8. Compensation. - The officers shall receive such remuneration as the Board of Directors may determine. A director shall not be precluded from serving the Corporation in any other capacity as an officer, agent or otherwise, and receiving compensation therefor.

**ARTICLE VIII
INDEMNIFICATION OF DIRECTORS AND OFFICERS**

Section 1. *Indemnification.* – The Corporation shall indemnify every director, officer or employee of the Corporation, his heirs, executors, and administrators against all costs and expenses reasonably incurred by such person in connection with any civil, criminal, administrative or investigative action, suit or proceeding to which he may be, or is, made a party by reason of his being or having been a director, officer or employee of the Corporation, except in relation to matters as to which he shall be finally adjudged in such action, suit or proceeding to be liable for fraud, negligence or misconduct.

Section 2. *Settlement or Compromise.* – In the event of a settlement or compromise, indemnification shall be provided only in connection with such matters as to which the Corporation is advised by counsel that the person to be indemnified did not commit a breach of duty.

Section 3. *Amount of Indemnity.* – The amount payable by way of indemnity shall be determined and paid only pursuant to a resolution adopted by a majority of those members of the Board of Directors who have not incurred expenses in connection with the action, suit or proceeding for which indemnification has been or is to be sought.

Section 4. *Costs and Expenses.* – The costs and expenses incurred in defending the aforementioned action, suit or proceeding may be paid by the Corporation in advance of the final disposition of such action, suit or proceeding as authorized in the manner provided for in the preceding paragraph upon receipt of an undertaking by or on behalf of the director, officer or employee of the Corporation to repay such amount, unless it shall ultimately be determined that he is entitled to be indemnified by the Corporation as authorized in this article.

**ARTICLE IX
OFFICES**

Section 1. The principal office of the Corporation shall be located at the place stated in Article III of the Articles of Incorporation. The Corporation may have such other branch offices, either within or outside the Philippines, as the Board of Directors may designate or as the business of the Corporation may, from time to time, require.

**ARTICLE X
AUDIT OF BOOKS, FISCAL YEAR AND DIVIDENDS**

Section 1. *External Auditor.* - At the regular shareholders' meeting, the external auditor or auditors of the Corporation for the ensuing year shall be appointed. The external auditor shall examine, verify, and report on the earnings and expenses of the Corporation.

Section 2. Fiscal Year. - The fiscal year of the Corporation shall begin on the first day of January and end on the last day of December of each year.

Section 3. Dividends. - Dividends shall be declared and paid out of the unrestricted retained earnings which shall be payable in cash, property, or stock to qualified shareholders on the basis of outstanding stock held by them, as often and at such times as the Board of Directors may determine and in accordance with law and applicable rules and regulations.

ARTICLE XI SEAL

Section 1. Form and Inscriptions. - The Board of Directors shall determine the corporate seal.

ARTICLE XII AMENDMENTS

Section 1. The By-Laws may be amended or repealed by the affirmative vote of at least a majority of the Board of Directors and the shareholders representing a majority of the outstanding capital stock at any shareholders' meeting called for that purpose. However, the power to amend, modify, repeal or adopt new by-laws may be delegated to the Board of Directors by the affirmative vote of shareholders representing not less than two-thirds (2/3) of the outstanding capital stock; provided that any such delegation of powers to the Board of Directors to amend, modify, repeal or adopt new by-laws may be revoked by the vote of shareholders representing a majority of the outstanding capital stock at a regular or special meeting.

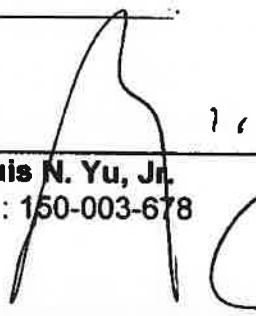
ARTICLE XIII INTERPRETATION

Section 1. The Board of Directors shall decide upon all questions on the construction and interpretation of the Articles of Incorporation, the By-Laws, the Club Rules, and the rules and regulations of the Corporation and the Club.

ARTICLE XIV ADOPTION CLAUSE

Section 1. The foregoing By-Laws was adopted by all shareholders of the Corporation on 16 December 2013 at the principal office of the Corporation.


IN WITNESS WHEREOF, we, the undersigned shareholders present at said meeting and voting thereat in favor of the adoption of the By-Laws, have hereunto affixed our signatures on this 16 day of DEC 16 2013, 2013 at



Luis N. Yu, Jr.
TIN: 150-003-678



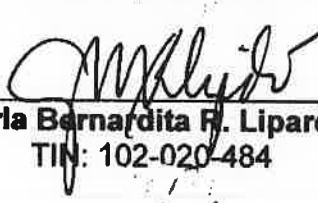
Mariano D. Martinez, Jr.
TIN: 107-781-349



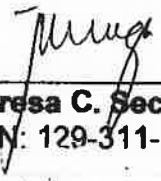
Jesus B. Atencio
TIN: 115-883-995



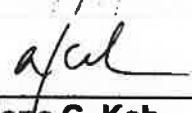
Nicolas C. Divinagracia
TIN: 929-390-662



Carla Bernardita R. Lipardo
TIN: 102-020-484



Teresa C. Secuya
TIN: 129-311-121




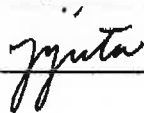
Arlene C. Keh
TIN: 115-785-432
Independent Director



Vittorio P. Lim
TIN: 239-269-242
Independent Director

SIGNED IN THE PRESENCE OF:





ACKNOWLEDGMENT

Republic of the Philippines)
 City of PASIG CITY S.S.


BEFORE ME, a Notary Public in and for the City of PASIG CITY,
 Philippines, personally appeared this 16 day of December 2013 the following:
 DEC 16 2013

Name	Competent Proof of Identity
Luis N. Yu, Jr.	TIN: 150-003-678
Mariano D. Martinez, Jr.	TIN: 107-781-349
Jesus B. Atencio	TIN: 115-883-995
Nicolas C. Divinagracia	TIN: 929-390-662
Carla Bernardita R. Lipardo	TIN: 102-020-484
Teresa C. Secuya	TIN: 129-311-121
Arlene C. Keh	TIN: 115-785-432
Vittorio P. Lim	TIN: 239-269-242

all known to me and by me known to be the same persons who executed the foregoing By-Laws and they acknowledged to me that the same is their free and voluntary act and deed.

IN WITNESS WHEREOF, I have hereunto set my hand and affixed my notarial seal this 16 day of December 2013 at the City of PASIG CITY, Philippines.

Doc. No. 20;
 Page No. 4;
 Book No. CXXXIII;
 Series of 2013.


ATTY. RAMON L. CARIPIO
 NOTARY PUBLIC
 IBP # 913609 1/2/13
 ROLL # 22, 172 TIN 106-918-897
 *CLE # IV - 0006300 6 / 10/13 PASIG CITY
 *TR # 84 10181 / 1/2/13 PASIG CITY

REPUBLIC OF THE PHILIPPINES)
Quezon City) S.S.

SECRETARY'S CERTIFICATE

KNOW ALL MEN BY THESE PRESENTS:

I, **ATTY. HAZEL L. HELMUTH**, of legal age, Filipino, with office address at the 2nd Floor PGMC Building, 76 Calbayog corner D. M. Guevarra Streets, Mandaluyong City, after having been duly sworn in accordance with law, depose and state that:

1. I am the duly elected and incumbent Corporate Secretary of **AZALEA LEISURE RESIDENCES CORPORATION** doing business under the name and style of **AZALEA VACATION CLUB** (the "Corporation"), a corporation duly organized and existing under the laws of the Republic of the Philippines, with principal office address at No. 76 PGMC Building, Calbayog Street, Mandaluyong City.

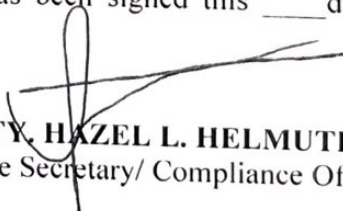
2. I hereby certify that only one special meeting was held on 2 May 2022, for the sole purpose of moving the Annual Stockholders' Meeting from 1 June 2022, as mandated by the Corporation's Bylaws, to a later date in 2022.

3. During the said meeting, the following directors were present:

Lony R. Capellan
Vittorio P. Lim
Maria Paz I. Diokno
Teresa C. Secuya
Cherry T. Rocha
Rosario P. Delfin


4. The foregoing is in accordance with the records of the Corporation presently in my custody.

IN WITNESS WHEREOF, this Certificate has been signed this JUN 30 2023 day of _____ in Quezon City.


ATTY. HAZEL L. HELMUTH
Corporate Secretary/ Compliance Officer

SUBSCRIBED AND SWORN TO before me this JUN 30 2023 at Quezon City, Philippines, affiant, personally known to me, presented his TIN 223-499-220-000.

Doc. No. 121 ;
Page No. 98 ;
Book No. 12 ;
Series of 2023.


ATTY. MARIEL A. YANOACIO
Notary Public for and in Quezon City
323 A&B Spark Place Bldg. Cubao, Quezon City
ADM MATTER No. NP-163(2022-2023)
Roll No. 57003
IBP Lifetime Member No. 014405, Pangasinan
PTR No. 3986762;01/10/2023, Quezon City
MCLE Commission No. VII-BEP003730; 24 March 2022
My Commission Expires on December 2023