

**SECURITIES AND EXCHANGE COMMISSION**  
**SEC FORM - I-ACGR**

**INTEGRATED ANNUAL CORPORATE GOVERNANCE REPORT**

1. For the fiscal year ended  
Dec 31, 2018
2. SEC Identification Number  
102165
3. BIR Tax Identification Number  
000-803-498-000
4. Exact name of issuer as specified in its charter  
Bright Kindle Resources & Investments, Inc.
5. Province, country or other jurisdiction of incorporation  
Manila, Philippines
6. Industry Classification Code(SEC Use Only)
  
7. Address of principal office  
16th floor, Citibank Tower, Paseo de Roxas, Makati City  
Postal Code  
1227
8. Issuer's telephone number, including area code  
821-2202
9. Former name, former address, and former fiscal year, if changed since last report  
Bankard Inc.

*The Exchange does not warrant and holds no responsibility for the veracity of the facts and representations contained in all corporate disclosures, including financial reports. All data contained herein are prepared and submitted by the disclosing party to the Exchange, and are disseminated solely for purposes of information. Any questions on the data contained herein should be addressed directly to the Corporate Information Officer of the disclosing party.*



Bright Kindle Resources  
& Investments, Inc.

**Bright Kindle Resources & Investments Inc.**  
**BKR**

**PSE Disclosure Form I-ACGR - Integrated Annual Corporate Governance Report**  
**Reference: SEC Code of Corporate Governance for Publicly-Listed Companies, PSE**  
**Corporate Governance Guidelines, and ASEAN Corporate Governance Scorecard**

**Description of the Disclosure**

BKR Annual Corporate Governance Report (I-ACGR)

**Filed on behalf by:**

|                    |                    |
|--------------------|--------------------|
| <b>Name</b>        | Raquel Frondoso    |
| <b>Designation</b> | Compliance officer |



SEC FORM – I-ACGR

INTEGRATED ANNUAL CORPORATE GOVERNANCE REPORT

GENERAL INSTRUCTIONS

A. Use of Form I-ACGR

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

B. Preparation of Report

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

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

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

C. Signature and Filing of the Report

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



| INTEGRATED ANNUAL CORPORATE GOVERNANCE REPORT  |                                 |   |             |
|--|---------------------------------|---|-------------|
|  | COMPLIANT/<br>NON-<br>COMPLIANT | ADDITIONAL INFORMATION  | EXPLANATION |
| The Board's Governance Responsibilities  |                                 |   |             |
| Principle 1: The company should be headed by a competent, working board to foster the long- term success of the corporation, and to sustain its competitiveness and profitability in a manner consistent with its corporate objectives and the long- term best interests of its shareholders and other stakeholders. |                                 |   |             |
| Recommendation 1.1   |                                 |   |             |
| 1. Board is composed of directors with collective working knowledge, experience or expertise that is relevant to the company's industry/sector.  | Compliant                       | <p><i>Provide information or link/reference to a document containing information on the following:</i></p> <ol style="list-style-type: none"> <li>1. <u>Academic qualifications, industry knowledge, professional experience, expertise and relevant trainings of directors</u></li> <li>2. <u>Qualification standards for directors to facilitate the selection of potential nominees and to serve as benchmark for the evaluation of its performance</u> <ol style="list-style-type: none"> <li>(1) <u>Website</u><br/> <a href="http://www.brightkindle.com/our-company/board-of-directors-management-team-executive-officers/">http://www.brightkindle.com/our-company/board-of-directors-management-team-executive-officers/</a></li> <li><u>Revised Manual of Corporate Governance,</u><br/> <a href="http://www.brightkindle.com/corporate-governance/manual-on-corp-governance/#squelch-taas-accordion-shortcode-content-0">http://www.brightkindle.com/corporate-governance/manual-on-corp-governance/#squelch-taas-accordion-shortcode-content-0</a></li> <li><u>Annual Report</u><br/> <a href="http://www.brightkindle.com/company-disclosures/sec-filings/sec-form-17-a-annual-report/">http://www.brightkindle.com/company-disclosures/sec-filings/sec-form-17-a-annual-report/</a></li> <li>(2) <u>Revised Manual of Corporate Governance,</u><br/> <a href="http://www.brightkindle.com/corporate-governance/manual-on-corp-governance/">http://www.brightkindle.com/corporate-governance/manual-on-corp-governance/</a></li> <li>(3) <u>2016 Revised Manual of CG</u></li> </ol> </li> </ol> |             |

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|  |           | <p><u>THE BOARDS GOVENANCE RESPONSIBILITIES (Page 3)</u></p> <p><u>1. Establishing a Competent Board</u></p> <p><u>1.2. Qualifications</u></p>   |  |
| 2. Board has an appropriate mix of competence and expertise.   | Compliant | <p><u>Website</u></p> <p><a href="http://www.brightkindle.com/our-company/board-of-directors-management-team-executive-officers/">http://www.brightkindle.com/our-company/board-of-directors-management-team-executive-officers/</a></p>   |  |
| 3. Directors remain qualified for their positions individually and collectively to enable them to fulfill their roles and responsibilities and respond to the needs of the organization. | Compliant | <p><u>Website</u></p> <p><a href="http://www.brightkindle.com/our-company/board-of-directors-management-team-executive-officers/">http://www.brightkindle.com/our-company/board-of-directors-management-team-executive-officers/</a></p> <p><u>Annual Report</u></p> <p><a href="http://www.brightkindle.com/company-disclosures/sec-filings/sec-form-17-a-annual-report/">http://www.brightkindle.com/company-disclosures/sec-filings/sec-form-17-a-annual-report/</a></p>  |  |
| <b>Recommendation 1.2</b>  |           |  |  |
| 1. Board is composed of a majority of non-executive directors.   | Compliant | <p><i>Identify or provide link/reference to a document identifying the directors and the type of their directorships</i></p> <p><u>Out of 11 directors,7 are non-executive directors</u></p> <p><u>Website</u></p> <p><a href="http://www.brightkindle.com/our-company/board-of-directors-management-team-executive-officers/">http://www.brightkindle.com/our-company/board-of-directors-management-team-executive-officers/</a></p> <p><a href="http://www.brightkindle.com/company-disclosures/sec-filings/sec-form-20-is-information-statement/">http://www.brightkindle.com/company-disclosures/sec-filings/sec-form-20-is-information-statement/</a></p> |  |
| <b>Recommendation 1.3</b>  |           |  |  |
| 1. Company provides in its Board Charter and Manual on Corporate Governance a policy on training of directors.   | Compliant | <p><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></p>   |  |

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|  |  | <p>(1) <u>Revised Manual of Corporate Governance,</u><br/> <a href="http://www.brightkindle.com/corporate-governance/manual-on-corporate-governance/">http://www.brightkindle.com/corporate-governance/manual-on-corporate-governance/</a></p> <p><u>2016 Revised Manual of CG</u><br/> <u>THE BOARDS GOVERNANCE</u><br/> <u>RESPONSIBILITIES (Page 3)</u><br/> <u>1. Establishing a Competent Board</u><br/> <u>1.3 Training and orientation Programs</u></p> <p>The Company provides an Annual training program from an accredited provider of SEC. The training programs varies each year and covers a range of matters, including traditional corporate governance topics such as audit, internal controls, anti-corruption and risk management.</p> <p>The Company has no formal Board Charter and policy on training. However, all directors and officers undergo a yearly 5-hour training program with SEC certified providers</p> <p>The certificates of attendance to the training program for 2018 were submitted to both SEC and PSE, please see link below</p> <p>Advisement Letter</p> <p><a href="http://www.brightkindle.com/company-disclosures/other-disclosures-to-sec-pse-and-other-pertinent-agencies/#sqelch-taas-accordion-shortcode-content-1">http://www.brightkindle.com/company-disclosures/other-disclosures-to-sec-pse-and-other-pertinent-agencies/#sqelch-taas-accordion-shortcode-content-1</a></p> |  |
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| <p>2. Company has an orientation program for first time directors.</p>       | <p>Compliant</p> | <p><i>Provide information or link/reference to a document containing information on the orientation program and trainings of directors for the previous year, including the number of hours attended and topics covered.</i></p> <p><u>Revised Manual of Corporate Governance, <a href="http://www.brightkindle.com/corporate-governance/manual-on-corp-governance/">http://www.brightkindle.com/corporate-governance/manual-on-corp-governance/</a></u></p> <p><u>2016 Revised Manual of CG</u><br/> <u>THE BOARDS GOVENANCE</u><br/> <u>RESPONSIIBILITIES (Page 3)</u><br/> <u>1. Establishing a Competent Board</u><br/> <u>1.3 Training and orientation Programs</u></p> <p>The company provides an annual training and/or seminar to its directors and officers from an SEC-accredited provider. The orientation and programs is compulsory for all members to participate. The Company also encourages the directors to participate in seminars conducted by reputable providers.</p> <p>The President, Chairman and board have a responsibility to ensure that first-time directors are given proper support in learning their role so that they can get up to speed. All nominated to the Board are screened by the Nomination and Corporate Governance Committee and are informed in advance of the board’s mandate and areas of responsibility, organizational structure, operations and key personnel, terms of directors, committee membership, chairs etc., board work plan, including current projects and priorities, board culture and protocols relating to motions, voting, agenda, telephone participation etc.</p> |  |
| <p>3. Company has relevant annual continuing training for all directors.</p> | <p>Compliant</p> | <p>The Company has no formal Board Charter and policy on training. However, all directors and</p>  |  |

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|  |  | <p>officers undergo a yearly 5-hour training program with SEC certified providers</p> <p>The certificates of attendance to the training program for 2018 were submitted to both SEC and PSE, please see link below</p> <p>Advisement Letter<br/> <a href="http://www.brightkindle.com/company-disclosures/other-disclosures-to-sec-pse-and-other-pertinent-agencies/#sqelch-taas-accordion-shortcode-content-1">http://www.brightkindle.com/company-disclosures/other-disclosures-to-sec-pse-and-other-pertinent-agencies/#sqelch-taas-accordion-shortcode-content-1</a></p> |  |
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**Recommendation 1.4**

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| <p>1. Board has a policy on board diversity.</p> | <p>Compliant</p> | <p><i>Provide information on or link/reference to a document containing information on the company's board diversity policy.</i></p> <p><i>Indicate gender composition of the board.</i></p> <p>2016 Revised Manual of CG<br/> THE BOARDS GOVENANCE RESPONSIIILITIES<br/> (Page 4)<br/> 1.Establishing a Competent Board<br/> 1.4 Board Diversity</p> <p>While the Company has not formalized a Board Diversity policy, there is already board diversity as the members of the Board are composed of individuals from different fields, age, culture, skills, competence and knowledge.</p> <p>The Board has 11 members, 8 males and 3 females</p> |  |
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**Optional: Recommendation 1.4**

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| 1. Company has a policy on and discloses measurable objectives for implementing its board diversity and reports on progress in achieving its objectives. | Non-Compliant | <p><i>Provide information on or link/reference to a document containing the company's policy and measureable objectives for implementing board diversity.</i></p> <p><i>Provide link or reference to a progress report in achieving its objectives.</i></p>   | While the Company has no Board Diversity policy, there is board diversity as the members of the Board are composed of individuals from different fields, age, culture, skills, competence and knowledge. |
| <b>Recommendation 1.5</b>  |               |   |  |
| 1. Board is assisted by a Corporate Secretary.   | Compliant     | <p><i>Provide information on or link/reference to a document containing information on the Corporate Secretary, including his/her name, qualifications, duties and functions.</i></p> <p>Corporate Secretary is Atty. Diane Madelyn C. Ching<br/> <a href="http://www.brightkindle.com/our-company/#squelch-taas-tab-content-0-2">http://www.brightkindle.com/our-company/#squelch-taas-tab-content-0-2</a></p> <p>Disclosure –Results of Organizational Meeting<br/> <a href="http://www.brightkindle.com/company-disclosures/sec-filings/sec-form-17-c-current-report/">http://www.brightkindle.com/company-disclosures/sec-filings/sec-form-17-c-current-report/</a></p> |  |
| 2. Corporate Secretary is a separate individual from the Compliance Officer.   | Non-Compliant |   | The Corporation has limited manpower due to its minimal operations   |
| 3. Corporate Secretary is not a member of the Board of Directors.  | Non-Compliant | The Corporate Secretary is a member of the Board of Directors   | _ The Corporation has limited manpower due to its minimal operations   |
| 4. Corporate Secretary attends training/s on corporate governance.   | Compliant     | <p><i>Provide information or link/reference to a document containing information on the corporate governance training attended, including number of hours and topics covered</i></p> <p>Key officers participate in a comprehensive training programs and it is compulsory for all officers to participate in on-going professional development training.</p>   |  |

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|  |           | <p><u>PSE &amp; SEC disclosure –Advisement Letter</u></p> <p><u><a href="http://www.brightkindle.com/company-disclosures/other-disclosures-to-sec-pse-and-other-pertinent-agencies/#squelch-taas-accordion-shortcode-content-1">http://www.brightkindle.com/company-disclosures/other-disclosures-to-sec-pse-and-other-pertinent-agencies/#squelch-taas-accordion-shortcode-content-1</a></u></p>   |  |
| <b>Optional: Recommendation 1.5</b>  |           |   |  |
| <p>1. Corporate Secretary distributes materials for board meetings at least five business days before scheduled meeting.</p> | Compliant | <p><i>Provide proof that corporate secretary distributed board meeting materials at least five business days before scheduled meeting</i></p> <p>In the Revised Manual of Corporate Governance page 3 The Boards Governance Responsibilities Article 1 Establishing a Competent Board 1.5. Corporate Secretary letter f. <i>Informs members of the Board, in accordance with the by-laws, of the agenda of their meetings at least five working days in advance, and ensures that the members have before them accurate information that will enable them to arrive at intelligent decisions on matter that require their approval.</i></p> <p>Revised Manual on Corporate Governance, <u><a href="http://www.brightkindle.com/corporate-governance/manual-on-corp-governance/">http://www.brightkindle.com/corporate-governance/manual-on-corp-governance/</a></u></p> <p>The Corporate Secretary emails advance copies of materials at least five business days before the scheduled meeting.</p> |  |
| <b>Recommendation 1.6</b>  |           |   |  |
| <p>1. Board is assisted by a Compliance Officer.</p>   | Compliant | <p><i>Provide information on or link/reference to a document containing information on the Compliance Officer, including his/her name, position, qualifications, duties and functions.</i></p> <p>Compliance Officer:<br/>Atty. Diane Madelyn C. Ching</p>  |  |

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|   |               | Website<br><a href="http://www.brightkindle.com/">http://www.brightkindle.com/</a><br><br>Revised Manual on Corporate Governance,<br><a href="http://www.brightkindle.com/corporate-governance/manual-on-corp-governance/">http://www.brightkindle.com/corporate-governance/manual-on-corp-governance/</a>   |  |
| 2. Compliance Officer has a rank of Senior Vice President or an equivalent position with adequate stature and authority in the corporation. | Compliant     | The Compliance Officer holds a VP position with adequate stature and authority in the Corporation.   |  |
| 3. Compliance Officer is not a member of the board.   | Non-Compliant |  | The Corporation has limited manpower due to its minimal operations |
| 4. Compliance Officer attends training/s on corporate governance.   | Compliant     | <i>Provide information on or link/reference to a document containing information on the corporate governance training attended, including number of hours and topics covered</i><br><br>Key officers participate in a comprehensive training programs and it is compulsory for all officers to participate in on-going professional development training.<br><br><u>PSE &amp; SEC disclosure –Advisement Letter</u><br><a href="http://www.brightkindle.com/company-disclosures/other-disclosures-to-sec-pse-and-other-pertinent-agencies/#squelch-taas-accordion-shortcode-content-1">http://www.brightkindle.com/company-disclosures/other-disclosures-to-sec-pse-and-other-pertinent-agencies/#squelch-taas-accordion-shortcode-content-1</a> |  |

Principle 2: The fiduciary roles, responsibilities and accountabilities of the Board as provided under the law, the company's articles and by-laws, and other legal pronouncements and guidelines should be clearly made known to all directors as well as to stockholders and other stakeholders.

**Recommendation 2.1**

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| 1. Directors act on a fully informed basis, in good faith, with due diligence and care, and in the best interest of the company. | Compliant | <i>Provide information or reference to a document containing information on how the directors performed their duties (can include board resolutions, minutes of meeting)</i><br>Please see Revised Manual on Corporate Governance |  |
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| Recommendation 2.2  |           |  |  |
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| 1. Board oversees the development, review and approval of the company's business objectives and strategy. | Compliant | <p><i>Provide information or link/reference to a document containing information on how the directors performed this function (can include board resolutions, minutes of meeting)</i></p> <p><i>Indicate frequency of review of business objectives and strategy</i></p> <p>SEC Form 17-C, Material Information Disclosures in the Company and PSE, Annual Report,</p> <p><a href="http://www.brightkindle.com/company-disclosures/sec-filings/sec-form-17-a-annual-report">http://www.brightkindle.com/company-disclosures/sec-filings/sec-form-17-a-annual-report</a><br/>Website<br/>Minutes of the Board Meeting</p> |  |
| 2. Board oversees and monitors the implementation of the company's business objectives and strategy.      | Compliant | <p>The Board leads the overall company's business direction and strategy.</p> <p><a href="http://www.brightkindle.com/company-disclosures/minutes-of-all-general-special-stockholders-meetings/">http://www.brightkindle.com/company-disclosures/minutes-of-all-general-special-stockholders-meetings/</a></p> <p><a href="http://www.brightkindle.com/company-disclosures/sec-filings/">http://www.brightkindle.com/company-disclosures/sec-filings/</a></p>  |  |
| Supplement to Recommendation 2.2  |           |  |  |
| 1. Board has a clearly defined and updated vision, mission and core values.                               | Compliant | <p><i>Indicate or provide link/reference to a document containing the company's vision, mission and core values.</i></p> <p><i>Indicate frequency of review of the vision, mission and core values.</i></p> <p>Website<br/><a href="http://www.brightkindle.com/our-company/the-companys-mission-vision-values/">http://www.brightkindle.com/our-company/the-companys-mission-vision-values/</a></p>   |  |
| 2. Board has a strategy execution process that facilitates effective management performance and           | Compliant | <p><i>Provide information on or link/reference to a document containing information on the strategy execution process.</i></p>   |  |

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| is attuned to the company's business environment, and culture.   |               | The Board of Directors discuss key strategies and overall direction of the Company, The CEO as the head of management oversees proper execution and implementation of plans and he reports the same to the Board.   |   |
| <b>Recommendation 2.3</b>  |               |   |   |
| 1. Board is headed by a competent and qualified Chairperson.   | Compliant     | Provide information or reference to a document containing information on the Chairperson, including his/her name and qualifications<br>See website for Information about Mr. Cesar Zalamea, Chairman<br><a href="http://www.brightkindle.com/our-company/#squelch-taas-tab-content-0-0">http://www.brightkindle.com/our-company/#squelch-taas-tab-content-0-0</a> |   |
| <b>Recommendation 2.4</b>  |               |   |   |
| 1. Board ensures and adopts an effective succession planning program for directors, key officers and management. | Non-Compliant | Disclose and provide information or link/reference to a document containing information on the company's succession planning policies and programs and its implementation   | Revised manual of Corporate Governance (Section 2.4)<br><u>Revised Manual of Corporate Governance</u><br><a href="http://www.brightkindle.com/corporate-governance/manual-on-corp-governance">http://www.brightkindle.com/corporate-governance/manual-on-corp-governance</a><br><br>The Company has no formal succession planning program. However, the Company has an Organizational Chart which is sufficient for purposes of succession planning of key officers and management. |
| 2. Board adopts a policy on the retirement for directors and key officers.                                       | Non-complaint |   | The Board will review the need for this policy taking into account considering its limited manpower due to its minimal operations   |
| <b>Recommendation 2.5</b>  |               |   |   |
| 1. Board aligns the remuneration of key officers and board members with long-term interests of the company.      | Compliant     | Provide information on or link/reference to a document containing information on the company's remuneration policy and its implementation, including the relationship between remuneration and performance.   |   |
| 2. Board adopts a policy specifying the relationship between remuneration and performance.                       | Compliant     | Sec. 30. of the Corporation Code of the Philippines provides:   |   |
| 3. Directors do not participate in discussions or deliberations involving his/her own remuneration.              | Compliant     | Compensation of directors. -In the absence of any provision in the by-laws fixing their compensation,   |   |

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|   |               | <p>the directors shall not receive any compensation, as such directors, except for reasonable per diems: Provided, however, that any such compensation other than per diems may be granted to directors by the vote of the stockholders representing at least a majority of the outstanding capital stock at a regular or special stockholders 'meeting. In no case shall the total yearly compensation of directors, as such directors, exceed ten (10%) percent of the net income *</p> <p><u>Revised Manual on Corporate Governance, (Section 2.5)</u><br/> <a href="http://www.brightkindle.com/corporate-governance/manual-on-corp-governance">http://www.brightkindle.com/corporate-governance/manual-on-corp-governance</a></p> |  |
| <b>Optional: Recommendation 2.5</b>   |               |  |  |
| 1. Board approves the remuneration of senior executives.  | Compliant     | <p><i>Provide proof of board approval</i></p> <p>There was no instance in 2018 which required approval of the remuneration of senior executives.</p>   |  |
| 2. Company has measurable standards to align the performance-based remuneration of the executive directors and senior executives with long-term interest, such as claw back provision and deferred bonuses. | Non-compliant | <p><i>Provide information on or link/reference to a document containing measurable standards to align performance-based remuneration with the long-term interest of the company.</i></p>   | The Corporation currently does not have any claw back provision or mechanism on deferred bonuses. This may not be necessary considering the size, structure and operations of the Corporation. |
| <b>Recommendation 2.6</b>   |               |  |  |
| 1. Board has a formal and transparent board nomination and election policy.   | Compliant     | <p><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 shortlisted candidates and how it encourages nominations from shareholders.</i></p> <p><i>Provide proof if minority shareholders have a right to nominate candidates to the board</i></p>  |  |



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|  |           | <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><u>Information Statement</u></p> <p><u>Revised Manual on Corporate Governance, (Section 2.6)</u><br/> <a href="http://www.brightkindle.com/corporate-governance/manual-on-corp-governance">http://www.brightkindle.com/corporate-governance/manual-on-corp-governance</a></p> |  |
| 2. Board nomination and election policy is disclosed in the company's Manual on Corporate Governance.  | Compliant | <p><u>Revised Manual on Corporate Governance, (Section 2.6)</u><br/> <a href="http://www.brightkindle.com/corporate-governance/manual-on-corp-governance">http://www.brightkindle.com/corporate-governance/manual-on-corp-governance</a></p>  |  |
| 3. Board nomination and election policy includes how the company accepted nominations from minority shareholders.  | Compliant | <p>Revised Manual on Corporate Governance (Section 2.6)</p>   |  |
| 4. Board nomination and election policy includes how the board shortlists candidates.  | Compliant | <p><u>Revised Manual on Corporate Governance, (Section 2.6)</u><br/> <a href="http://www.brightkindle.com/corporate-governance/manual-on-corp-governance">http://www.brightkindle.com/corporate-governance/manual-on-corp-governance</a></p>  |  |
| 5. Board nomination and election policy includes an assessment of the effectiveness of the Board's processes in the nomination, election or replacement of a director. | Compliant | <p><u>Revised Manual on Corporate Governance, (Section 2.6)</u><br/> <a href="http://www.brightkindle.com/corporate-governance/manual-on-corp-governance">http://www.brightkindle.com/corporate-governance/manual-on-corp-governance</a></p>  |  |
| 6. Board has a process for identifying the quality of directors that is aligned with the strategic direction of the company.   | Compliant | <p><u>Revised Manual on Corporate Governance, (Section 2.6)</u><br/> <a href="http://www.brightkindle.com/corporate-governance/manual-on-corp-governance">http://www.brightkindle.com/corporate-governance/manual-on-corp-governance</a></p>  |  |
| <b>Optional: Recommendation to 2.6</b>   |           |   |  |

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| 1. Company uses professional search firms or other external sources of candidates (such as director databases set up by director or shareholder bodies) when searching for candidates to the board of directors.  | Non-Compliant | <i>Identify the professional search firm used or other external sources of candidates</i>  | The Corporation currently does not use any professional search firm or other external sources of candidates. When searching candidates to the board, the Company receives recommendation from the members of the board. In this manner, the Board is aware of the capabilities of the candidate. |
| <b>Recommendation 2.7</b>   |               |  |  |
| 1. Board has overall responsibility in ensuring that there is a group-wide policy and system governing related party transactions (RPTs) and other unusual or infrequently occurring transactions.  | Compliant     | <i>Provide information on or reference to a document containing the company's policy on related party transaction, including policy on review and approval of significant RPTs</i><br><br><i>Identify transactions that were approved pursuant to the policy.</i><br><a href="http://www.brightkindle.com/corporate-governance/companys-policies/related-party-transaction-policy/">http://www.brightkindle.com/corporate-governance/companys-policies/related-party-transaction-policy/</a> |  |
| 2. RPT policy includes appropriate review and approval of material RPTs, which guarantee fairness and transparency of the transactions.   | Compliant     | <a href="http://www.brightkindle.com/corporate-governance/companys-policies/related-party-transaction-policy/">http://www.brightkindle.com/corporate-governance/companys-policies/related-party-transaction-policy/</a>  |  |
| 3. RPT policy encompasses all entities within the group, taking into account their size, structure, risk profile and complexity of operations.  | Compliant     | <a href="http://www.brightkindle.com/corporate-governance/companys-policies/related-party-transaction-policy/">http://www.brightkindle.com/corporate-governance/companys-policies/related-party-transaction-policy/</a><br><br>Results of Annual Stockholders' Meeting   |  |
| <b>Supplement to Recommendations 2.7</b>  |               |  |  |
| 1. Board clearly defines the threshold for disclosure and approval of RPTs and categorizes such transactions according to those that are considered <i>de minimis</i> or transactions that need not be reported or announced, those that need to be disclosed, and those that need prior shareholder approval. The aggregate amount of RPTs within any twelve (12) month period should be considered for purposes of applying the thresholds for disclosure and approval. | Compliant     | <i>Provide information on a materiality threshold for RPT disclosure and approval, if any.</i><br><br><i>Provide information on RPT categories</i><br><a href="http://www.brightkindle.com/corporate-governance/companys-policies/related-party-transaction-policy/">http://www.brightkindle.com/corporate-governance/companys-policies/related-party-transaction-policy/</a><br>Related Party Transactions<br><br>Definitions   |  |

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|  | <p>Related Party This emphasizes the substance of the relationship and not merely the legal form.</p> <p>Parties that are members of the same group, i.e. each parent, subsidiary and fellow subsidiary is related to the others;</p> <p>All Directors, Officers, Managers and Key Management Personnel having authority and responsibility for planning, directing and controlling the activities of the Company or its Subsidiary or its Parent, directly or indirectly; including companies they have control or joint control or significant influence in;</p> <p>Control – the power to govern the financial and operating policies of the Company or its Subsidiary.</p> <p>Significant influence – the power to participate in the financial and operating policy decisions of the Company or its Subsidiary, but is not control over those policies. This may be gained by share ownership, statute or agreement.</p> <p>Close family members of an individual referred to in ( b) above, who may be expected to influence, or be influenced by, that individual in their dealings with the Company or its Subsidiary;</p> <p>Close family member – the individual’s spouse or domestic partner and children, stepchildren, and dependents of the individual or that individual’s spouse or domestic partner.</p> <p>Co-Parties to joint ventures or associates of the same third party entered into by the Company or its Subsidiary;</p> <p>Party is an associate or joint venture of the other entity (or an associate or joint venture of a member of a group of which the other entity is a member); Party is a joint venture or associate of a third entity;</p> |  |
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|  | <p>Related Party Transaction (“RPT”) is a transfer of resources, services or obligations between the Company &amp; its Subsidiaries, and a related party, regardless of whether a price is charged.</p> <p>Examples of RPTs are :</p> <p>Guarantees or commitments to do something if a particular event occurs or does not occur in the future, including executory contracts (i.e. neither party has performed any obligation or both parties have partially performed their obligations to an equal extent)</p> <p>Loans to directors<br/> Sale or purchase of goods<br/> Sale, purchase or lease of property and/or assets<br/> Provision or receipt of services or leases<br/> Assumption of financial/operating obligations<br/> Subscription for debt or equity issuances<br/> Establishment of joint venture entities<br/> Settlement of liabilities on behalf of the Company or its Subsidiary or by the Company or its Subsidiary on behalf of a related party<br/> Compensation, benefits (monetary and non-monetary), post-employment benefits, termination benefits and share-based payment of current employees</p> <p>Material and/or Significant RPT is defined as those transactions with Related Party which involve an aggregate amount or value equal to or greater than Fifty Million Pesos (P50Million) over a twelve (12) month calendar year period.</p> <p>Guidelines</p> <p>In the review and approval of RPT, the Company shall at all times abide by the following standards:</p> |  |
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|  | <p>(i) That the RPT is “fair and at arm’s length” and (ii) That the RPT is in the best interest of the Company and its stockholders, based under relevant circumstances.</p> <p>As matter of policy and procedure, all Material and/or Significant RPT shall be subject to review and endorsement by all the Independent Directors prior to approval by the Board. All Material and/or Significant RPT shall be reported by the Compliance Officer to the Audit Committee to ensure full and timely disclosure in the annual and quarterly reports to the Securities and Exchange Commission and in the Notes to the Financial Statements, whether on an interim or annual basis, as required under PAS 24 on Related Party Transaction Disclosures and other disclosure requirements.</p> <p>Disclosure</p> <p>RPTs that are required to be disclosed and reported in the Company’s filings with the Securities and Exchange Commission (SEC) shall be disclosed in accordance with laws, rules, regulations, Philippine Financial Reporting &amp; Accounting Standards.</p> <p>The Company shall comply with government required disclosures of relationships between the Company &amp; its Subsidiaries irrespective of whether there have been transactions between them, transactions and outstanding balances, including commitments, in the consolidated and separate individual financial statements. It shall disclose the name of its parent, the ultimate controlling party and/or the most senior parent (defined as the first parent above the immediate parent) that produces</p> |  |
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|   |           | <p>consolidated financial statements available for public use.</p> <p>All RPTs shall be disclosed to the Audit Committee and any material RPT shall be disclosed to the Board.</p> <p>Review<br/>This Policy will be reviewed as needed or at least annually by the Audit Committee.</p>  |  |
| 2. Board establishes a voting system whereby a majority of non-related party shareholders approve specific types of related party transactions during shareholders' meetings.   | Compliant | <p><i>Provide information on voting system, if any.</i></p> <p>Please see Information Statement<br/><u>The Board further adopts the provisions of the Corporation Code on approvals of related-party transactions.</u></p>  |  |
| <b>Recommendation 2.8</b>   |           |   |  |
| 1. Board is primarily responsible for approving the selection of Management led by the Chief Executive Officer (CEO) and the heads of the other control functions (Chief Risk Officer, Chief Compliance Officer and Chief Audit Executive).   | Compliant | <p><i>Provide information on or reference to a document containing the Board's policy and responsibility for approving the selection of management.</i></p> <p><i>Identify the Management team appointed</i><br/>The Board is guided by the provisions of the Philippine Corporation Code in the selection of certain officers.</p> <p>Please refer to the Corporation's Definitive Information Statement for the year 2018, the Corporation's Code on Corporate Governance and 2018 Annual Report.<br/><a href="http://www.brightkindle.com/company-disclosures/sec-filings/sec-form-17-a-annual-report/">http://www.brightkindle.com/company-disclosures/sec-filings/sec-form-17-a-annual-report/</a></p> |  |
| 2. Board is primarily responsible for assessing the performance of Management led by the Chief Executive Officer (CEO) and the heads of the other control functions (Chief Risk Officer, Chief Compliance Officer and Chief Audit Executive). | Compliant | <p><i>Provide information on or reference to a document containing the Board's policy and responsibility for assessing the performance of management.</i></p> <p><i>Provide information on the assessment process and indicate frequency of assessment of performance.</i></p>  |  |

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|  |           | Although The Company has not adopted a formal policy on performance management, The board clearly identifies the Company's Goals and objectives that are cascaded to all levels of the organization. Performance is gauged based on results that are discussed during regular Management Committee headed by the President and CEO   |  |
| <b>Recommendation 2.9</b>  |           |  |  |
| 1. Board establishes an effective performance management framework that ensures that Management's performance is at par with the standards set by the Board and Senior Management. | Compliant | <p><i>Provide information on or link/reference to a document containing the Board's performance management framework for management and personnel.</i></p> <p>The Company's performance management is centered on the goals set from the Company level down to Management, teams and individual level. Goals set are Specific, Measurable, Achievable, Realistic, and Time-based. Progress is discussed weekly during the management committee meeting and quarterly during the board meeting.</p> |  |
| 2. Board establishes an effective performance management framework that ensures that personnel's performance is at par with the standards set by the Board and Senior Management.  | Compliant | The Company's performance management is centered on the goals set from the Company level down to Management, teams and individual level. Goals set are Specific, Measurable, Achievable, Realistic, and Time-based. Progress is discussed weekly during the management committee meeting and quarterly during the board meeting.   |  |
| <b>Recommendation 2.10</b>   |           |  |  |
| 1. Board oversees that an appropriate internal control system is in place.   | Compliant | <p><i>Provide information on or link/reference to a document showing the Board's responsibility for overseeing that an appropriate internal control system is in place and what is included in the internal control system</i></p> <p>Please refer to the Revised Manual on Corporate Governance</p>   |  |

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|  |               | <a href="http://www.brightkindle.com/corporate-governance/manual-on-corp-governance/">http://www.brightkindle.com/corporate-governance/manual-on-corp-governance/</a>   |  |
| 2. The internal control system includes a mechanism for monitoring and managing potential conflict of interest of the Management, members and shareholders.                | Compliant     | Please refer to the Revised Manual on Corporate Governance<br><a href="http://www.brightkindle.com/corporate-governance/manual-on-corp-governance/">http://www.brightkindle.com/corporate-governance/manual-on-corp-governance/</a>   |  |
| 3. Board approves the Internal Audit Charter.  | Compliant     | <i>Provide reference or link to the company's Internal Audit Charter</i><br><br>Please refer to the Revised Manual on Corporate Governance<br><br><a href="http://www.brightkindle.com/corporate-governance/manual-on-corp-governance/">http://www.brightkindle.com/corporate-governance/manual-on-corp-governance/</a>   |  |
| <b>Recommendation 2.11</b>   |               |   |  |
| 1. Board oversees that the company has in place a sound enterprise risk management (ERM) framework to effectively identify, monitor, assess and manage key business risks. | Non-compliant | <i>Provide information on 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><br><br><i>Provide proof of effectiveness of risk management strategies, if any.</i><br><br>Revised Manual on Corporate Governance<br><br><a href="http://www.brightkindle.com/corporate-governance/manual-on-corp-governance/">http://www.brightkindle.com/corporate-governance/manual-on-corp-governance/</a> | Although the company has no comprehensive, enterprise wide ERM framework, it believes that it already has in place the basic components of and ERM to address the various risks the Company is exposed to.<br><br>The Board of Directors and Management assess the various risks involved in its operations, including the agreements, contracts and transactions it enters into. The company has appointed an Audit Committee whose duty and responsibilities include among others, the oversight of financial management functions specifically in the areas of managing credit, market, liquidity, operational, legal and other risks of the Corporation, and crisis management. The Board has appointed the Audit Committee regularly review and formulate plans for the |



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|  |               |  | management of all risks whether internal or external risks.   |
| 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. |               | The Board of Directors and Management assess the various risks involved in its operations, including the agreements, contracts and transactions it enters into. The company has appointed an Audit Committee whose duty and responsibilities include among others, the oversight of financial management functions specifically in the areas of managing credit, market, liquidity, operational, legal and other risks of the Corporation, and crisis management. The Board has appointed the Audit Committee regularly review and formulate plans for the management of all risks whether internal or external risks. |   |
| <b>Recommendation 2.12</b>   |               |  |   |
| 1. Board has a Board Charter that formalizes and clearly states its roles, responsibilities and accountabilities in carrying out its fiduciary role.                                   | Non-Compliant | <i>Provide link to the company's website where the Board Charter is disclosed.</i>   | Although the Company has no formal Board Charter, the Board is governed by The Philippine Corporate Code, the Company's Articles and By-Laws and its Manual of Corporate Governance |
| 2. Board Charter serves as a guide to the directors in the performance of their functions.   | Non-Compliant |  | Although the Company has no formal Board Charter, the Board is governed by The Philippine Corporate Code, the Company's Articles and By-Laws and its Manual of Corporate Governance |
| 3. Board Charter is publicly available and posted on the company's website.  | Non-Compliant |  | Although the Company has no formal Board Charter, the Board is governed by The Philippine Corporate Code, the Company's Articles and By-Laws and its Manual of Corporate Governance |
| <b>Additional Recommendation to Principle 2</b>  |               |  |   |
| 1. Board has a clear insider trading policy.   | Compliant     | <i>Provide information on or link/reference to a document showing company's insider trading policy.</i><br>Please refer to the Revised Manual on Corporate Governance and the website  | .   |

| <i>Optional: Principle 2</i>  |           |  |   |
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| 1. Company has a policy on granting loans to directors, either forbidding the practice or ensuring that the transaction is conducted at arm's length basis and at market rates.   | Compliant | <p><i>Provide information on or link/reference to a document showing company's policy on granting loans to directors, if any.</i></p> <p><a href="http://www.brightkindle.com/corporate-governance/companys-policies/related-party-transaction-policy/">http://www.brightkindle.com/corporate-governance/companys-policies/related-party-transaction-policy/</a></p> | The Company does not have an express policy on the grant of loans to directors. However, such transaction shall be covered by the related-transaction policy. |
| 2. Company discloses the types of decision requiring board of directors' approval.  | Compliant | <p><i>Indicate the types of decision requiring board of directors' approval and where there are disclosed.</i></p> <p>Material Transactions disclosed in the PSE Edge and website</p> <p><a href="http://www.brightkindle.com/company-disclosures/">http://www.brightkindle.com/company-disclosures/</a></p>   |   |
| <p>Principle 3: Board committees should be set up to the extent possible to support the effective performance of the Board's functions, particularly with respect to audit, risk management, related party transactions, and other key corporate governance concerns, such as nomination and remuneration. The composition, functions and responsibilities of all committees established should be contained in a publicly available Committee Charter.</p> |           |  |   |
| <i>Recommendation 3.1</i>   |           |  |   |
| 1. Board establishes board committees that focus on specific board functions to aid in the optimal performance of its roles and responsibilities.   | Compliant | <p><i>Provide information or link/reference to a document containing information on all the board committees established by the company.</i></p> <p><a href="http://www.brightkindle.com/board-of-committees/board-committees/">http://www.brightkindle.com/board-of-committees/board-committees/</a></p>  |   |
| <i>Recommendation 3.2</i>   |           |  |   |
| 1. Board establishes an Audit Committee to enhance its oversight capability over the company's financial reporting, internal control system, internal and external audit processes, and compliance with applicable laws and regulations.  | Compliant | <p><i>Provide information or link/reference to a document containing information on 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>Website</p>  |   |

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|  |               | <a href="http://www.brightkindle.com/board-of-committees/board-committees/">http://www.brightkindle.com/board-of-committees/board-committees/</a><br>Revised Manual of Corporate Governance, (Section 3.2)<br><a href="http://www.brightkindle.com/corporate-governance/manual-on-corp-governance">http://www.brightkindle.com/corporate-governance/manual-on-corp-governance</a>   |  |
| 2. Audit Committee is composed of at least three appropriately qualified non-executive directors, the majority of whom, including the Chairman is independent. | Compliant     | <i>Provide information or link/reference to a document containing information on the members of the Audit Committee, including their qualifications and type of directorship.</i>   | <a href="http://www.brightkindle.com/board-of-committees/board-committee-members/">http://www.brightkindle.com/board-of-committees/board-committee-members/</a><br><br>The Committee is composed of at least three appropriately qualified non-executive directors. Only the Chairman is an Independent Director |
| 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><br>Please see information statement, website and annual report<br><a href="http://www.brightkindle.com/company-disclosures/sec-filings/sec-form-17-a-annual-report/">http://www.brightkindle.com/company-disclosures/sec-filings/sec-form-17-a-annual-report/</a><br><br>The Independent Director, Atty. Ocampo, who chairs most of the committee is a lawyer. |  |
| 4. The Chairman of the Audit Committee is not the Chairman of the Board or of any other committee.   | Non-Compliant | <i>Provide information or link/reference to a document containing information on the Chairman of the Audit Committee</i>  | <a href="http://www.brightkindle.com/board-of-committees/board-committee-members/">http://www.brightkindle.com/board-of-committees/board-committee-members/</a>  |
| <b>N/A</b>   |               |   |  |
| 1. Audit Committee approves all non-audit services conducted by the external auditor.  | Non-Compliant | <i>Provide proof that the Audit Committee approved all non-audit services conducted by the external auditor.</i>  | Not Applicable. There were no non-audit services performed for the year 2018.  |
| 2. Audit Committee conducts regular meetings and dialogues with the external audit team without anyone from management present.                                | Non-Compliant | <i>Provide proof that the Audit Committee conducted regular meetings and dialogues with the external audit team without anyone from management present.</i>   | The Audit Committee conducts meetings with external audit team with representatives from the management to explain the operations of the subsidiary. However, the audit committee may directly communicate their concerns with the external audit team.  |

| <i>Optional: Recommendation 3.2</i>   |               |   |  |
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| 1. Audit Committee meet at least four times during the year.  | Non-Complaint | Indicate the number of Audit Committee meetings during the year and provide proof   | The Audit Committee only met once for the year 2018  |
| 2. Audit Committee approves the appointment and removal of the internal auditor.  | Complaint     | Provide proof that the Audit Committee approved the appointment and removal of the internal auditor.<br><br>The Parent Company does not have an internal auditor considering its minimal activities/ operations.  |  |
| <i>Recommendation 3.3</i>   |               |   |  |
| 1. Board establishes a Corporate Governance Committee tasked to assist the Board in the performance of its corporate governance responsibilities, including the functions that were formerly assigned to a Nomination and Remuneration Committee. | Complaint     | Provide information or reference to a document containing information on the Corporate Governance Committee, including its functions<br><br>Indicate if the Committee undertook the process of identifying the quality of directors aligned with the company's strategic direction, if applicable.<br><a href="http://www.brightkindle.com/board-of-committees/board-committee-members/">http://www.brightkindle.com/board-of-committees/board-committee-members/</a> |  |
| 2. Corporate Governance Committee is composed of at least three members, all of whom should be independent directors.   | Non-compliant | Provide information or link/reference to a document containing information on the members of the Corporate Governance Committee, including their qualifications and type of directorship.   | The Chairman of the Committee is an Independent Director. The Company only has 2 Independent Directors.<br><br><a href="http://www.brightkindle.com/board-of-committees/board-committee-members/">http://www.brightkindle.com/board-of-committees/board-committee-members/</a> |
| 3. Chairman of the Corporate Governance Committee is an independent director.   | Compliant     | Provide information or link/reference to a document containing information on the Chairman of the Corporate Governance Committee.<br><br>Atty. Ocampo is the Chairman of the Corporate Governance Committee<br><br><a href="http://www.brightkindle.com/board-of-committees/board-committee-members/">http://www.brightkindle.com/board-of-committees/board-committee-members/</a>  |  |
| <i>Optional: Recommendation 3.3.</i>  |               |   |  |

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| 1. Corporate Governance Committee meet at least twice during the year.   | Non-Complaint | <i>Indicate the number of Corporate Governance Committee meetings held during the year and provide proof thereof.</i>  | The Committee only met once.  |
| <b>Recommendation 3.4</b>  |               |  |   |
| 1. Board establishes a separate Board Risk Oversight Committee (BROC) that should be responsible for the oversight of a company's Enterprise Risk Management system to ensure its functionality and effectiveness. | Non-compliant | <i>Provide information or link/reference to a document containing information on the Board Risk Oversight Committee (BROC), including its functions</i>                | <p>The Company has no separate BROC. The Board is assisted by the Audit committee for the overall responsibility for risk oversight as outlined in its committee charter</p> <p>The establishment of a BROC may not be necessary considering the size, structure and operations of the Company.</p>         |
| 2. BROC is composed of at least three members, the majority of whom should be independent directors, including the Chairman.   | Non-Complaint | <i>Provide information or link/reference to a document containing information on the members of the BROC, including their qualifications and type of directorship.</i> | <p>The Company has no separate BROC. The Board is assisted by the Audit committee for the overall responsibility for risk oversight as outlined in its committee charter,</p> <p>The establishment of a BROC may not be necessary considering the size, structure and operations of the Company.</p>        |
| 3. The Chairman of the BROC is not the Chairman of the Board or of any other committee.  | Non-Complaint | <i>Provide information or link/reference to a document containing information on the Chairman of the BROC</i>  | <p>The Company has no separate BROC. The Board is assisted by the Audit committee for the overall responsibility for risk oversight as outlined in its committee charter,</p> <p>The establishment of a BROC may not be necessary considering the size, structure and operations of the Company.</p>        |
| 4. At least one member of the BROC has relevant thorough knowledge and experience on risk and risk management.   | Non-Complaint | <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>The Company has no separate BROC. The Board is assisted by the Audit committee for the overall responsibility for risk oversight as outlined in its committee charter,</p> <p><u>The establishment of a BROC may not be necessary considering the size, structure and operations of the Company.</u></p> |

| Recommendation 3.5   |                 |  |   |
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| 1. Board establishes a Related Party Transactions (RPT) Committee, which is tasked with reviewing all material related party transactions of the company.  | Compliant       | <p><i>Provide information or link/reference to a document containing information on the Related Party Transactions (RPT) Committee, including its functions.</i></p> <p><a href="http://www.brightkindle.com/board-of-committees/board-committee-members/">http://www.brightkindle.com/board-of-committees/board-committee-members/</a><br/>Revised Manual on Corporate Governance</p>   |   |
| 2. RPT Committee is composed of at least three non-executive directors, two of whom should be independent, including the Chairman.   | Complaint       | <p><i>Provide information or link/reference to a document containing information on the members of the RPT Committee, including their qualifications and type of directorship.</i></p> <p><del>ht</del><a href="http://www.brightkindle.com/board-of-committees/board-committee-members/">http://www.brightkindle.com/board-of-committees/board-committee-members/</a></p> <p>Atty. Ocampo and Justice Mendoza are independent directors who are members of the RPT Committee.</p> |   |
| Recommendation 3.6   |                 |  |   |
| 1. All established committees have a Committee Charter stating in plain terms their respective purposes, memberships, structures, operations, reporting process, resources and other relevant information. | Non – Compliant | <p><i>Provide information on 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>The committees have no charter and are presently governed by the company's Code of Corporate Governance.</p> <p><a href="http://www.brightkindle.com/corporate-governance/manual-on-corp-governance">Revised Manual of Corporate Governance, ( Section 3) http://www.brightkindle.com/corporate-governance/manual-on-corp-governance</a></p> |
| 2. Committee Charters provide standards for evaluating the performance of the Committees.  | Non-Complaint   |  | In progress.  |
| 3. Committee Charters were fully disclosed on the company's website.   | Non-Compliant   | <p><i>Provide link to company's website where the Committee Charters are disclosed.</i></p>  | In progress.  |

*Principle 4: To show full commitment to the company, the directors should devote the time and attention necessary to properly and effectively perform their duties and responsibilities, including sufficient time to be familiar with the corporation's business.*

**Recommendation 4.1**

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| <p>1. The Directors attend and actively participate in all meetings of the Board, Committees and shareholders in person or through tele-/videoconferencing conducted in accordance with the rules and regulations of the Commission.</p> | <p>Compliant</p> | <p><i>Provide information or link/reference to a document containing information on 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 information on the attendance and participation of directors to Board, Committee and shareholders' meetings.</i></p> <p>Notice of regular and special meetings sent by the corporate secretary to the Board members via email include the statement <u>"Your presence is earnestly requested. Kindly advise the undersigned of your attendance and whether you will be attending the meeting in person or by teleconference facilities"</u></p> <p>(please see attached)</p> |  |
| <p>2. The directors review meeting materials for all Board and Committee meetings.</p>   | <p>Compliant</p> | <p>Materials for Board Committee meetings are emailed and printed copies are provided to the Board and the Committee</p>  |  |
| <p>3. The directors ask the necessary questions or seek clarifications and explanations during the Board and Committee meetings.</p>   | <p>Compliant</p> | <p><i>Provide information or link/reference to a document containing information on any questions raised or clarification/explanation sought by the directors</i></p> <p>The Members of the Board and Committee actively participates in Board Meetings by asking questions or clarifications.</p>  |  |

**Recommendation 4.2**

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| <p>1. Non-executive directors concurrently serve in a maximum of five publicly-listed companies to ensure that they have sufficient time to fully prepare for minutes, challenge Management's</p> | <p>Compliant</p> | <p><i>Disclose if the company has a policy setting the limit of board seats that a non-executive director can hold simultaneously.</i></p> <p><i>Provide information or reference to a document containing information on the directorships of the company's directors in both listed and non-listed companies</i></p> |  |
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| proposals/views, and oversee the long-term strategy of the company.  |               | <u>Revised Manual of Corporate Governance.</u> (Section 4.2)<br><a href="http://www.brightkindle.com/corporate-governance/manual-on-corp-governance">http://www.brightkindle.com/corporate-governance/manual-on-corp-governance</a> |  |
| <b>Recommendation 4.3</b>  |               |   |  |
| 1. The directors notify the company's board before accepting a directorship in another company.                                | N/A           | <i>Provide copy of written notification to the board or minutes of board meeting wherein the matter was discussed.</i><br><br>For 2018, no director has accepted any directorship from another company                              |  |
| <b>Optional: Principle 4</b>   |               |   |  |
| 1. Company does not have any executive directors who serve in more than two boards of listed companies outside of the group.   | Non-Compliant |   | Mr. Isidro C. Alcantara, Jr. is also an executive director in Benguet Corp.  |
| 2. Company schedules board of directors' meetings before the start of the financial year.                                      | Compliant     | The Company sets the meeting schedule at the start of the year.   |  |
| 3. Board of directors meet at least six times during the year.   | Non-Compliant | <i>Indicate the number of board meetings during the year and provide proof</i>  | year 2018 - 5 Board Meeting  |
| 4. Company requires as minimum quorum of at least 2/3 for board decisions.   | Compliant     | <i>Indicate the required minimum quorum for board decisions</i><br>The Board observes the requirement of the Corporation Code and by-laws which provides majority of the board to constitute quorum.                                |  |
| <b>Principle 5: The board should endeavor to exercise an objective and independent judgment on all corporate affairs</b>       |               |   |  |
| <b>Recommendation 5.1</b>  |               |   |  |
| 1. The Board has at least 3 independent directors or such number as to constitute one-third of the board, whichever is higher. | Non-Compliant | <i>Provide information or link/reference to a document containing information on the number of independent directors in the board</i>   | The company currently has 2 independent directors.<br><br>(1) <u>Atty. Carlos Alfonso T. Ocampo</u><br>(2) Justice Vicente V. Mendoza<br><a href="http://edge.pse.com.ph/openDiscViewer.do?edge_no=321ad15a5a96d8a943ca035510b6ec2b#sthash.g9qsFEQW.dpbs">http://edge.pse.com.ph/openDiscViewer.do?edge_no=321ad15a5a96d8a943ca035510b6ec2b#sthash.g9qsFEQW.dpbs</a> |
| <b>Recommendation 5.2</b>  |               |   |  |



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| 1. The independent directors possess all the qualifications and none of the disqualifications to hold the positions.  | Compliant | Provide information or link/reference to a document containing information on the qualifications of the independent directors.<br>Certificate of Independent Director   |  |
| <b>Supplement to Recommendation 5.2</b>   |           |   |  |
| 1. Company has no shareholder agreements, by-laws provisions, or other arrangements that constrain the directors' ability to vote independently.  | Compliant | Provide link/reference to a document containing information that directors are not constrained to vote independently.<br><br>There are no agreements which constrain the directors' ability to vote independently   |  |
| <b>Recommendation 5.3</b>   |           |   |  |
| 1. The independent directors serve for a cumulative term of nine years (reckoned from 2012).  | compliant | Provide information or link/reference to a document showing the years IDs have served as such.<br>Information Statement<br><br>No Independent Director has served for more than 9 years. In the instance of a retention, it shall be in compliance with SEC memorandum Circular no. 4 series of 2017                                  |  |
| 2. The company bars an independent director from serving in such capacity after the term limit of nine years.   | Compliant | Provide information or link/reference to a document containing information on the company's policy on term limits for its independent director<br>Information Statement<br><br>The term limit of the Company's Independent Directors is in compliance with SEC memorandum Circular no. 4 series of 2017                               |  |
| 3. In the instance that the company retains an independent director in the same capacity after nine years, the board provides meritorious justification and seeks shareholders' approval during the annual shareholders' meeting. | Compliant | Provide reference to the meritorious justification and proof of shareholders' approval during the annual shareholders' meeting.<br>Information Statement<br><br>No Independent Director has served for more than 9 years. In the instance of a retention, it shall be in compliance with SEC memorandum Circular no. 4 series of 2017 |  |
| <b>Recommendation 5.4</b>   |           |   |  |

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| 1. The positions of Chairman of the Board and Chief Executive Officer are held by separate individuals.  | Compliant     | <p><i>Identify the company's Chairman of the Board and Chief Executive Officer</i></p> <p>Mr. Cesar Zalamea-Chairman<br/>Mr. Isidro C. Alcantara, Jr. –President/CEO</p>  |   |
| 2. The Chairman of the Board and Chief Executive Officer have clearly defined responsibilities.  | Compliant     | <p><i>Provide information or link/reference to a document containing information on the roles and responsibilities of the Chairman of the Board and Chief Executive Officer.</i></p> <p><i>Identify the relationship of Chairman and CEO.</i></p> <p>Company By-Laws</p> <p><u>Revised Manual of Corporate Governance,</u><br/><u><a href="http://www.brightkindle.com/corporate-governance/manual-on-corp-governance">http://www.brightkindle.com/corporate-governance/manual-on-corp-governance</a></u></p> |   |
| <b>Recommendation 5.5</b>  |               |   |   |
| 1. If the Chairman of the Board is not an independent director, the board designates a lead director among the independent directors.  | Non-Compliant | <p><i>Provide information or link/reference to a document containing information on a lead independent director and his roles and responsibilities, if any.</i></p> <p><i>Indicate if Chairman is independent.</i></p>  | The present Chairman, being a non-executive director, is more than capable to lead the Board. |
| <b>Recommendation 5.6</b>  |               |   |   |
| 1. Directors with material interest in a transaction affecting the corporation abstain from taking part in the deliberations on the transaction.   | Compliant     | <p><i>Provide proof of abstention, if this was the case</i></p> <p>As practice, directors with material interest in a transaction abstain from taking part in deliberations of the transactions in which they have interest.</p>  |   |
| <b>Recommendation 5.7</b>  |               |   |   |
| 1. The non-executive directors (NEDs) have separate periodic meetings with the external auditor and heads of the internal audit, compliance and risk functions, without any executive present. | Compliant     | <p><i>Provide proof and details of said meeting, if any.</i></p> <p><i>Provide information on the frequency and attendees of meetings.</i></p> <p>The Audit Committee, composed of nonexecutive directors, meet with the external rotation and the head of Corporation's internal</p>   |   |

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|  |               | audit to discuss interim and annual financial statements of the Corporation.  |   |
| 2. The meetings are chaired by the lead independent director.  | Non-compliant |   | The Chairman is more than capable in leading the meetings of the Board.   |
| <b>Optional: Principle 5</b>   |               |   |   |
| 1. None of the directors is a former CEO of the company in the past 2 years.   | Non-Compliant | <i>Provide name/s of company CEO for the past 2 years</i>   | Mr. Isidro Alcantara, Jr. is Director and CEO for the past 2 years  |
| <b>Principle 6: The best measure of the Board's effectiveness is through an assessment process. The Board should regularly carry out evaluations to appraise its performance as a body, and assess whether it possesses the right mix of backgrounds and competencies.</b> |               |   |   |
| <b>Recommendation 6.1</b>  |               |   |   |
| 1. Board conducts an annual self-assessment of its performance as a whole.   | Non-Compliant | <i>Provide proof of self-assessments conducted for the whole board, the individual members, the Chairman and the Committees</i> | Although the assessment of Board performance is already contained in the Company's Manual of Corporate Governance, the Board has yet to review factors such as cost and available information and guidance on best practices. Nonetheless, The company's Board discloses all relevant information to its stakeholders and the Investing Public through regular and timely disclosures to the SEC and PSE which will enable them to gauge the performance of the Board |
| 2. The Chairman conducts a self-assessment of his performance.   | Non-Compliant |   | Although the assessment of Board performance is already contained in the Company's Manual of Corporate Governance, the Board has yet to review factors such as cost and available information and guidance on best practices. Nonetheless, The company's Board discloses all relevant information to its stakeholders and the Investing Public through regular and timely disclosures to the SEC and PSE which will enable them to gauge the performance of the Board |
| 3. The individual members conduct a self-assessment of their performance.  | Non-Compliant |   | Although the assessment of Board performance is already contained in the Company's Manual of Corporate Governance, the Board has yet to review factors such as cost and available information and guidance on best practices. Nonetheless, The company's Board discloses all relevant information to its stakeholders and the Investing Public through regular and timely disclosures to  |

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|   |               |  | the SEC and PSE which will enable them to gauge the performance of the Board  |
| 4. Each committee conducts a self-assessment of its performance.  | Non-compliant |  | Although the assessment of Board performance is already contained in the Company's Manual of Corporate Governance, the Board has yet to review factors such as cost and available information and guidance on best practices. Nonetheless, The company's Board discloses all relevant information to its stakeholders and the Investing Public through regular and timely disclosures to the SEC and PSE which will enable them to gauge the performance of the Board |
| 5. Every three years, the assessments are supported by an external facilitator.   | Non-Compliant | <i>Identify the external facilitator and provide proof of use of an external facilitator.</i>  | The Board has not implemented an assessment process. Although it should be an assessment of the Board as a whole, the Committee has yet to decide on the need to do an individual assessment and consider the means by which such assessments or evaluations should be undertaken   |
| <b>Recommendation 6.2</b>   |               |  |   |
| 1. Board has in place a system that provides, at the minimum, criteria and process to determine the performance of the Board, individual directors and committees.  | Non-Compliant | <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</i> | While there is no formal process in place, the Company's directors observe high work ethics and discipline.   |
| 2. The system allows for a feedback mechanism from the shareholders.  | Compliant     | The Company has provided all the necessary contact details for feedback in its website   |   |
| <b>Principle 7: Members of the Board are duty-bound to apply high ethical standards, taking into account the interests of all stakeholders.</b>   |               |  |   |
| <b>Recommendation 7.1</b>   |               |  |   |
| 1. Board adopts a Code of Business Conduct and Ethics, which provide standards for professional and ethical behavior, as well as articulate acceptable and unacceptable conduct and practices in internal and external dealings of the company. | Compliant     | <i>Provide information on or link/reference to the company's Code of Business Conduct and Ethics.</i><br><br><a href="http://www.brightkindle.com/">http://www.brightkindle.com/</a>   |   |

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| 2. The Code is properly disseminated to the Board, senior management and employees.   | Compliant | <p><i>Provide information on or discuss how the company disseminated the Code to its Board, senior management and employees.</i></p> <p>All Directors and Officers and Employees were given a copy of the Company Code of Conduct</p>   |  |
| 3. The Code is disclosed and made available to the public through the company website.  | Compliant | <p><i>Provide a link to the company's website where the Code of Business Conduct and Ethics is posted/ disclosed.</i></p> <p><a href="http://www.brightkindle.com/">http://www.brightkindle.com/</a></p>  |  |
| <b>Supplement to Recommendation 7.1</b>   |           |   |  |
| 1. Company has clear and stringent policies and procedures on curbing and penalizing company involvement in offering, paying and receiving bribes.                                  | Compliant | <p><i>Provide information on or link/reference to a document containing information on the company's policy and procedure on curbing and penalizing bribery</i></p> <p><a href="http://www.brightkindle.com/corporate-governance/companys-policies/">http://www.brightkindle.com/corporate-governance/companys-policies/</a></p>  |  |
| <b>Recommendation 7.2</b>   |           |   |  |
| 1. Board ensures the proper and efficient implementation and monitoring of compliance with the Code of Business Conduct and Ethics.   | Compliant | <p><i>Provide proof of implementation and monitoring of compliance with the Code of Business Conduct and Ethics and internal policies.</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> <p>The Board has the primary duty to make sure that the internal systems are in place to ensure the company's compliance with the Code and its internal policies and procedures</p> |  |
| 2. Board ensures the proper and efficient implementation and monitoring of compliance with company internal policies.   | Compliant | <p>The Board has the primary duty to make sure that the internal systems are in place to ensure the company's compliance with the Code and its internal policies and procedures</p>   |  |
| <b>Disclosure and Transparency</b>  |           |   |  |
| <b>Principle 8: The company should establish corporate disclosure policies and procedures that are practical and in accordance with best practices and regulatory expectations.</b> |           |   |  |

| Recommendation 8.1  |           |   |  |
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| <p>1. Board establishes corporate disclosure policies and procedures to ensure a comprehensive, accurate, reliable and timely report to shareholders and other stakeholders that gives a fair and complete picture of a company's financial condition, results and business operations.</p>   | Compliant | <p><i>Provide information on or link/reference to the company's disclosure policies and procedures including reports distributed/made available to shareholders and other stockholders</i></p> <p>Company Website<br/> <a href="http://www.brightkindle.com/">http://www.brightkindle.com/</a></p> <p>Annual Report<br/> <a href="http://www.brightkindle.com/company-disclosures/sec-filings/sec-form-17-a-annual-report/">http://www.brightkindle.com/company-disclosures/sec-filings/sec-form-17-a-annual-report/</a></p> <p>Quarterly Report Information Statement<br/> <a href="http://www.brightkindle.com/company-disclosures/sec-filings/sec-form-17-q-quarterly-report/">http://www.brightkindle.com/company-disclosures/sec-filings/sec-form-17-q-quarterly-report/</a></p> <p>PSE Edge website</p> |  |
| Supplement to Recommendations 8.1   |           |   |  |
| <p>1. Company distributes or makes available annual and quarterly consolidated reports, cash flow statements, and special audit revisions. Consolidated financial statements are published within ninety (90) days from the end of the fiscal year, while interim reports are published within forty-five (45) days from the end of the reporting period.</p> | Compliant | <p><i>Indicate the number of days within which the consolidated and interim reports were published, distributed or made available from the end of the fiscal year and end of the reporting period, respectively.</i></p> <p>The Company submits financial reports in compliance with Rule 17.1 of the Securities Regulations Code of the Philippines</p> <p>17.1.1.1. The public and reporting companies shall file with the Commission:<br/> 17.1.1.1.1. An annual report on SEC Form 17-A for the fiscal year in which the registration statement was rendered effective by the Commission, and for each fiscal year thereafter, within one hundred five (105) calendar days after the end of the fiscal year.</p>  |  |

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|   |           | 17.1.1.1.2. A quarterly report on SEC Form 17-Q within forty five (45) calendar days after the end of each of the first three quarters of each fiscal year. The first quarterly report of the Issuer shall be filed either within forty five (45) calendar days after the effective date of the registration statement or on or before the date on which such report would have been required to be filed if the Issuer had been required previously to file reports on SEC Form 17-Q, whichever is later.   |  |
| 2. Company discloses in its annual report the principal risks associated with the identity of the company's controlling shareholders; the degree of ownership concentration; cross-holdings among company affiliates; and any imbalances between the controlling shareholders' voting power and overall equity position in the company. | Compliant | <p><i>Provide link or reference to the company's annual report where the following are disclosed:</i></p> <ol style="list-style-type: none"> <li>1. <i>principal risks to minority shareholders associated with the identity of the company's controlling shareholders;</i></li> <li>2. <i>cross-holdings among company affiliates; and</i></li> <li>3. <i>any imbalances between the controlling shareholders' voting power and overall equity position in the company.</i></li> </ol> <p>Please refer to the Annual report and Definitive Information Statement</p> <p><a href="http://www.brightkindle.com/company-disclosures/sec-filings/sec-form-17-a-annual-report/">http://www.brightkindle.com/company-disclosures/sec-filings/sec-form-17-a-annual-report/</a></p> |  |
| <b>Recommendation 8.2</b>   |           |  |  |
| 1. Company has a policy requiring all directors to disclose/report to the company any dealings in the company's shares within three business days.  | Compliant | <p><i>Provide information on or link/reference to the company's policy requiring directors and officers to disclose their dealings in the company's share.</i></p> <p><i>Indicate actual dealings of directors involving the corporation's shares including their nature, number/percentage and date of transaction.</i></p> <p>All directors &amp; Officers disclose/report to the company any dealings in the company's shares in compliance with Section 13 of the PSE Disclosure Rules and Rule 23 of the Securities Regulations Code of the Philippines</p>   |  |

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| 2. Company has a policy requiring all officers to disclose/report to the company any dealings in the company's shares within three business days.   | Compliant | All officers disclose/report to the company any dealings in the company's shares in compliance with Section 13 of the PSE Disclosure Rules and Rule 23 of the Securities Regulations Code of the Philippines   |  |
| <b>Supplement to Recommendation 8.2</b>   |           |  |  |
| 1. Company discloses the trading of the corporation's shares by directors, officers (or persons performing similar functions) and controlling shareholders. This includes the disclosure of the company's purchase of its shares from the market (e.g. share buy-back program). | Compliant | <p><i>Provide information on or link/reference to the shareholdings of directors, management and top 100 shareholders.</i></p> <p><i>Provide link or reference to the company's Conglomerate Map.</i></p> <p>All directors &amp; Officers disclose/report to the company any dealings in the company's shares in compliance with Section 13 of the PSE Disclosure Rules and Rules 18 &amp; 23 of the Securities Regulations Code of the Philippines</p>  |  |
| <b>Recommendation 8.3</b>   |           |  |  |
| 1. Board fully discloses all relevant and material information on individual board members to evaluate their experience and qualifications, and assess any potential conflicts of interest that might affect their judgment.  | Compliant | <p><i>Provide link or reference to the directors' academic qualifications, share ownership in the company, membership in other boards, other executive positions, professional experiences, expertise and relevant trainings attended.</i></p> <p>Annual Report<br/> <a href="http://www.brightkindle.com/company-disclosures/sec-filings/sec-form-17-a-annual-report/">http://www.brightkindle.com/company-disclosures/sec-filings/sec-form-17-a-annual-report/</a><br/> Information Statement<br/> <a href="http://www.brightkindle.com/company-disclosures/sec-filings/sec-form-20-is-information-statement/">http://www.brightkindle.com/company-disclosures/sec-filings/sec-form-20-is-information-statement/</a><br/> Website<br/> <a href="http://www.brightkindle.com">http://www.brightkindle.com</a></p> |  |
| 2. Board fully discloses all relevant and material information on key executives to evaluate their experience and qualifications, and assess any  | Compliant | <p><i>Provide link or reference to the key officers' academic qualifications, share ownership in the company, membership in other boards, other executive positions, professional experiences, expertise and relevant trainings attended.</i></p>  |  |



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| <p>potential conflicts of interest that might affect their judgment.</p>   |                  | <p>Annual Report<br/> <a href="http://www.brightkindle.com/company-disclosures/sec-filings/sec-form-17-a-annual-report/">http://www.brightkindle.com/company-disclosures/sec-filings/sec-form-17-a-annual-report/</a><br/> Information Statement<br/> <a href="http://www.brightkindle.com/company-disclosures/sec-filings/sec-form-20-is-information-statement/">http://www.brightkindle.com/company-disclosures/sec-filings/sec-form-20-is-information-statement/</a><br/> Website<br/> <a href="http://www.brightkindle.com">http://www.brightkindle.com</a></p> |  |
| <b>Recommendation 8.4</b>  |                  |   |  |
| <p>1. Company provides a clear disclosure of its policies and procedure for setting Board remuneration, including the level and mix of the same.</p>                                   | <p>Compliant</p> | <p><i>Disclose or provide link/reference to the company policy and practice for setting board remuneration</i><br/> <a href="http://www.brightkindle.com/company-disclosures/other-disclosures-to-sec-pse-and-other-pertinent-agencies/">http://www.brightkindle.com/company-disclosures/other-disclosures-to-sec-pse-and-other-pertinent-agencies/</a></p>   |  |
| <p>2. Company provides a clear disclosure of its policies and procedure for setting executive remuneration, including the level and mix of the same.</p>                               | <p>Compliant</p> | <p><i>Disclose or provide link/reference to the company policy and practice for determining executive remuneration</i><br/> <a href="http://www.brightkindle.com/company-disclosures/other-disclosures-to-sec-pse-and-other-pertinent-agencies/">http://www.brightkindle.com/company-disclosures/other-disclosures-to-sec-pse-and-other-pertinent-agencies/</a></p>   |  |
| <p>3. Company discloses the remuneration on an individual basis, including termination and retirement provisions.</p>  | <p>Compliant</p> | <p><i>Provide breakdown of director remuneration and executive compensation, particularly the remuneration of the CEO.</i><br/> Refer to Annual Report</p>  |  |
| <b>Recommendation 8.5</b>  |                  |   |  |
| <p>1. Company discloses its policies governing Related Party Transactions (RPTs) and other unusual or infrequently occurring transactions in their Manual on Corporate Governance.</p> | <p>Compliant</p> | <p><i>Disclose or provide reference/link to company's RPT policies</i><br/><br/> <i>Indicate if the director with conflict of interest abstained from the board discussion on that particular transaction.</i><br/> <a href="http://www.brightkindle.com/corporate-governance/companys-policies/related-party-transaction-policy/">http://www.brightkindle.com/corporate-governance/companys-policies/related-party-transaction-policy/</a><br/><br/> As practice, directors with material interest in a transaction abstains from taking part in</p>               |  |

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|   |           | deliberations of the transactions in which they have interest.   |  |
| 2. Company discloses material or significant RPTs reviewed and approved during the year.                      | Compliant | <p>Provide information on all RPTs for the previous year or reference to a document containing the following information on all RPTs:</p> <ol style="list-style-type: none"> <li>1. name of the related counterparty;</li> <li>2. relationship with the party;</li> <li>3. transaction date;</li> <li>4. type/nature of transaction;</li> <li>5. amount or contract price;</li> <li>6. terms of the transaction;</li> <li>7. rationale for entering into the transaction;</li> <li>8. the required approval (i.e., names of the board of directors approving, names and percentage of shareholders who approved) based on the company's policy; and</li> <li>9. other terms and conditions</li> </ol> <p>Note 13 page20 of the AFS</p> |  |
| <b>Supplement to Recommendation 8.5</b>   |           |  |  |
| 1. Company requires directors to disclose their interests in transactions or any other conflict of interests. | Compliant | <p>Indicate where and when directors disclose their interests in transactions or any other conflict of interests.</p> <p>Revised Manual on Corporate Governance</p> <p>Note 13 page20 of the AFS</p>   |  |
| <b>Optional : Recommendation 8.5</b>  |           |  |  |
| 1. Company discloses that RPTs are conducted in such a way to ensure that they are fair and at arms' length.  | Compliant | <p>Provide link or reference where this is disclosed, if any</p> <p><a href="http://www.brightkindle.com/corporate-governance/companys-policies/related-party-transaction-policy/">http://www.brightkindle.com/corporate-governance/companys-policies/related-party-transaction-policy/</a></p>  |  |
| <b>Recommendation 8.6</b>   |           |  |  |

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| <p>1. Company makes a full, fair, accurate and timely disclosure to the public of every material fact or event that occur, particularly on the acquisition or disposal of significant assets, which could adversely affect the viability or the interest of its shareholders and other stakeholders.</p> | <p>Compliant</p> | <p><i>Provide link or reference where this is disclosed</i></p> <p>Material Information/Transactions are disclosed in the PSE Edge Website and Company Website<br/> <a href="http://edge.pse.com.ph/companyDisclosures/form.do?cmpy_id=66">http://edge.pse.com.ph/companyDisclosures/form.do?cmpy_id=66</a><br/><br/> <a href="http://www.brightkindle.com/">http://www.brightkindle.com/</a></p> |  |
| <p>2. Board appoints an independent party to evaluate the fairness of the transaction price on the acquisition or disposal of assets.</p>  | <p>Compliant</p> | <p><i>Identify independent party appointed to evaluate the fairness of the transaction price</i></p> <p><i>Disclose the rules and procedures for evaluating the fairness of the transaction price, if any.</i></p> <p>As a matter of practice, the Company engages independent parties to evaluation certain transactions.</p>  | <p>The Company had no transaction which will require a fairness opinion report</p> |
| <p><b>Supplement to Recommendation 8.6</b></p>   |                  |   |  |
| <p>1. Company discloses the existence, justification and details on shareholder agreements, voting trust agreements, confidentiality agreements, and such other agreements that may impact on the control, ownership, and strategic direction of the company.</p>  | <p>Compliant</p> | <p><i>Provide link or reference where these are disclosed.</i></p> <p>PSE Edge Website and Company website<br/> <a href="http://edge.pse.com.ph/companyDisclosures/form.do?cmpy_id=66">http://edge.pse.com.ph/companyDisclosures/form.do?cmpy_id=66</a><br/><br/> <a href="http://www.brightkindle.com/">http://www.brightkindle.com/</a></p>   |  |
| <p><b>Recommendation 8.7</b></p>   |                  |   |  |
| <p>1. Company's corporate governance policies, programs and procedures are contained in its Manual on Corporate Governance (MCG).</p>  | <p>Compliant</p> | <p><i>Provide link to the company's website where the Manual on Corporate Governance is posted.</i></p> <p><a href="http://www.brightkindle.com/corporate-governance/manual-on-corp-governance/">http://www.brightkindle.com/corporate-governance/manual-on-corp-governance/</a></p>  |  |

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| 2. Company's MCG is submitted to the SEC and PSE.   | Compliant | <a href="http://www.brightkindle.com/corporate-governance/manual-on-corp-governance/">http://www.brightkindle.com/corporate-governance/manual-on-corp-governance/</a>  |  |
| 3. Company's MCG is posted on its company website.  | Compliant | <a href="http://www.brightkindle.com/corporate-governance/manual-on-corp-governance/">http://www.brightkindle.com/corporate-governance/manual-on-corp-governance/</a>  |  |
| <b>Supplement to Recommendation 8.7</b>   |           |  |  |
| 1. Company submits to the SEC and PSE an updated MCG to disclose any changes in its corporate governance practices. | Compliant | <p><i>Provide proof of submission.</i></p> <p><a href="http://www.brightkindle.com/company-disclosures/other-disclosures-to-sec-pse-and-other-pertinent-agencies/">http://www.brightkindle.com/company-disclosures/other-disclosures-to-sec-pse-and-other-pertinent-agencies/</a></p> <p><a href="http://www.brightkindle.com/corporate-governance/manual-on-corp-governance/">http://www.brightkindle.com/corporate-governance/manual-on-corp-governance/</a></p> |  |
| <b>1. Does the company's Annual Report disclose the following information:</b>                                      |           |  |  |
| a. Corporate Objectives   | Compliant | <p>Refer to Annual Report</p> <p><a href="http://www.brightkindle.com/company-disclosures/sec-filings/sec-form-17-a-annual-report/">http://www.brightkindle.com/company-disclosures/sec-filings/sec-form-17-a-annual-report/</a></p>   |  |
| b. Financial performance indicators   | Compliant | <p>Refer to Annual Report</p> <p><a href="http://www.brightkindle.com/company-disclosures/sec-filings/sec-form-17-a-annual-report/">http://www.brightkindle.com/company-disclosures/sec-filings/sec-form-17-a-annual-report/</a></p>   |  |
| c. Non-financial performance indicators   | Compliant | <p>Refer to Annual Report</p> <p><a href="http://www.brightkindle.com/company-disclosures/sec-filings/sec-form-17-a-annual-report/">http://www.brightkindle.com/company-disclosures/sec-filings/sec-form-17-a-annual-report/</a></p>   |  |
| d. Dividend Policy  | Compliant | Refer to Annual Report   |  |

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|   |           | <a href="http://www.brightkindle.com/company-disclosures/sec-filings/sec-form-17-a-annual-report/">http://www.brightkindle.com/company-disclosures/sec-filings/sec-form-17-a-annual-report/</a>  |  |
| e. Biographical details (at least age, academic qualifications, date of first appointment, relevant experience, and other directorships in listed companies) of all directors   | Compliant | Refer to Annual Report<br><a href="http://www.brightkindle.com/company-disclosures/sec-filings/sec-form-17-a-annual-report/">http://www.brightkindle.com/company-disclosures/sec-filings/sec-form-17-a-annual-report/</a>  |  |
| f. Attendance details of each director in all directors meetings held during the year   | Compliant | Refer to Annual Report<br><a href="http://www.brightkindle.com/company-disclosures/sec-filings/sec-form-17-a-annual-report/">http://www.brightkindle.com/company-disclosures/sec-filings/sec-form-17-a-annual-report/</a>  |  |
| g. Total remuneration of each member of the board of directors  | Compliant | Refer to Annual Report<br><a href="http://www.brightkindle.com/company-disclosures/sec-filings/sec-form-17-a-annual-report/">http://www.brightkindle.com/company-disclosures/sec-filings/sec-form-17-a-annual-report/</a>  |  |
| 2. The Annual Report contains a statement confirming the company's full compliance with the Code of Corporate Governance and where there is non-compliance, identifies and explains reason for each such issue.           | Compliant | <i>Provide link or reference to where this is contained in the Annual Report</i><br><br>The Corporate Governance portion has been removed from the Annual report as per SEC memorandum 5 series of 2013 item 5 which states:<br>"V. The Corporate Governance section in the Annual Report (SEC Form 17-A) shall be deleted."<br>A separate Corporate Governance Report was submitted on June 1, 2017.<br><a href="http://edge.pse.com.ph/openDiscViewer.do?edge_no=5c6116ab784b76be3318251c9257320d#sthash.wAFfMEC6.dpbs">http://edge.pse.com.ph/openDiscViewer.do?edge_no=5c6116ab784b76be3318251c9257320d#sthash.wAFfMEC6.dpbs</a> |  |
| 3. The Annual Report/Annual CG Report discloses that the board of directors conducted a review of the company's material controls (including operational, financial and compliance controls) and risk management systems. | Compliant | <i>Provide link or reference to where this is contained in the Annual Report</i><br><br><a href="http://www.brightkindle.com/company-disclosures/sec-filings/sec-form-17-a-annual-report/">http://www.brightkindle.com/company-disclosures/sec-filings/sec-form-17-a-annual-report/</a>  |  |

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| 4. The Annual Report/Annual CG Report contains a statement from the board of directors or Audit Committee commenting on the adequacy of the company's internal controls/risk management systems. | Compliant | <p><i>Provide link or reference to where this is contained in the Annual Report</i></p> <p>Audit services provided to the Company by external auditor have been pre-approved by the Audit Committee. The Audit Committee has reviewed the magnitude and nature of these services to ensure that they are compatible with maintaining the independence of the external auditor.</p> |  |
| 5. The company discloses in the Annual Report the key risks to which the company is materially exposed to (i.e. financial, operational including IT, environmental, social, economic).           | Compliant | <p><i>Provide link or reference to where these are contained in the Annual Report</i></p> <p><a href="http://www.brightkindle.com/company-disclosures/sec-filings/sec-form-17-a-annual-report/">http://www.brightkindle.com/company-disclosures/sec-filings/sec-form-17-a-annual-report/</a></p>   |  |

*Principle 9: The company should establish standards for the appropriate selection of an external auditor, and exercise effective oversight of the same to strengthen the external auditor's independence and enhance audit quality.*

**Recommendation 9.1**

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| 1. Audit Committee has a robust process for approving and recommending the appointment, reappointment, removal, and fees of the external auditors.                             | Compliant | <p><i>Provide information or link/reference to a document containing information on the process for approving and recommending the appointment, reappointment, removal and fees of the company's external auditor.</i></p> <p>The Audit Committee considers only leading audit firms who are capable of providing quality and affordable services to the Company.</p> |  |
| 2. The appointment, reappointment, removal, and fees of the external auditor is recommended by the Audit Committee, approved by the Board and ratified by the shareholders.    | Compliant | <p><i>Indicate the percentage of shareholders that ratified the appointment, reappointment, removal and fees of the external auditor.</i></p> <p>shareholders ratified the reappointment of the external auditor</p>  |  |
| 3. For removal of the external auditor, the reasons for removal or change are disclosed to the regulators and the public through the company website and required disclosures. | Compliant | <p><i>Provide information on or link/reference to a document containing the company's reason for removal or change of external auditor.</i></p>   |  |

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|   |               | There have been no incidence where the Company has taken action with regard to the removal of the external auditor.  |                    |
| <b>Supplement to Recommendation 9.1</b>   |               |  |                    |
| 1. Company has a policy of rotating the lead audit partner every five years.  | Compliant     | <p><i>Provide information on or link/reference to a document containing the policy of rotating the lead audit partner every five years.</i></p> <p>Rotation of Lead audit partner is in compliance with<br/>SRC RULE 68, AS AMENDED<br/>(ix) Rotation of External Auditors The independent auditors or in the case of an audit firm, the signing partner, of the aforementioned regulated entities shall be rotated after every five (5) years of engagement. A two-year cooling off period shall be observed in the re-engagement of the same signing partner or individual auditor.</p> <p>The Company changed its audit lead partner from Belinda Fernando to Carolina Angeles.</p> |                    |
| <b>Recommendation 9.2</b>   |               |  |                    |
| 1. Audit Committee Charter includes the Audit Committee's responsibility on:  | Non-Compliant | <i>Provide link/reference to the company's Audit Committee Charter</i>   | <u>in progress</u> |
| <ul style="list-style-type: none"> <li>i. assessing the integrity and independence of external auditors;</li> <li>ii. exercising effective oversight to review and monitor the external auditor's independence and objectivity; and</li> <li>iii. exercising effective oversight to review and monitor the effectiveness of the audit process, taking into consideration relevant Philippine professional and regulatory requirements.</li> </ul> |               |  |                    |
| 2. Audit Committee Charter contains the Committee's responsibility on reviewing and monitoring the  | Non-Compliant | <i>Provide link/reference to the company's Audit Committee Charter</i>   | In progress        |

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| external auditor's suitability and effectiveness on an annual basis.   |               |  |  |
| <b>Supplement to Recommendations 9.2</b>   |               |  |  |
| 1. Audit Committee ensures that the external auditor is credible, competent and has the ability to understand complex related party transactions, its counterparties, and valuations of such transactions.       | Non-Compliant | <i>Provide link/reference to the company's Audit Committee Charter</i>   | The Audit Committee considers only leading audit firms who are capable of providing quality and affordable services to the Company.  |
| 2. Audit Committee ensures that the external auditor has adequate quality control procedures.  | Non-Compliant | <i>Provide link/reference to the company's Audit Committee Charter</i>   | The Audit Committee considers only leading audit firms who are capable of providing quality and affordable services to the Company.  |
| <b>Recommendation 9.3</b>  |               |  |  |
| 1. Company discloses the nature of non-audit services performed by its external auditor in the Annual Report to deal with the potential conflict of interest.  | Non-Compliant | <i>Disclose the nature of non-audit services performed by the external auditor, if any.</i>  | Not applicable. There were no non-audit services performed by the external auditor   |
| 2. Audit Committee stays alert for any potential conflict of interest situations, given the guidelines or policies on non-audit services, which could be viewed as impairing the external auditor's objectivity. | Compliant     | <i>Provide link or reference to guidelines or policies on non-audit services</i><br><br>The approval of the Audit Committee is obtained before the external auditor is engaged to provide any permitted non-audit services |  |
| <b>Supplement to Recommendation 9.3</b>  |               |  |  |
| 1. Fees paid for non-audit services do not outweigh the fees paid for audit services.  | Non-Compliant | <i>Provide information on audit and non-audit fees paid.</i>   | Not applicable. There were no non-audit services performed by the external auditor<br><br>The approval of the Audit Committee is obtained before the external auditor is engaged to provide any permitted non-audit services |
| <b>Additional Recommendation to Principle 9</b>  |               |  |  |
| 1. Company's external auditor is duly accredited by the SEC under Group A category.  | Compliant     | <i>Provide information on company's external auditor, such as:</i><br><br>1. <i>Name of the audit engagement partner;</i><br>2. <i>Accreditation number;</i>   |  |



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|   |           | <ol style="list-style-type: none"> <li>3. <i>Date Accredited;</i></li> <li>4. <i>Expiry date of accreditation; and</i></li> <li>5. <i>Name, address, contact number of the audit firm.</i></li> </ol> <p>Carolina P. Angeles<br/>BOA Accreditation No. 4782 valid until Dec 31, 2018<br/>SEC Accreditation No. 0658-AR-3 Group A<br/>Valid until May 17, 2020<br/>BIR Accreditation No. 08-005144-007-2017<br/>Valid until January 13, 2020<br/>Reyes Tacandong &amp; Company<br/>Citibank Tower 8741 Paseo de Roxas Makati City</p> |  |
| 2. Company's external auditor agreed to be subjected to the SEC Oversight Assurance Review (SOAR) Inspection Program conducted by the SEC's Office of the General Accountant (OGA). | Compliant | <p><i>Provide information on the following:</i></p> <ol style="list-style-type: none"> <li>1. <i>Date it was subjected to SOAR inspection, if subjected;</i></li> <li>2. <i>Name of the Audit firm; and</i></li> <li>3. <i>Members of the engagement team inspected by the SEC.</i></li> </ol> <p>Our auditor RTC is not yet subjected to SOAR as of May 29, 2019.</p>   |  |

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

**Recommendation 10.1**

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| 1. Board has a clear and focused policy on the disclosure of non-financial information, with emphasis on the management of economic, environmental, social and governance (EESG) issues of its business, which underpin sustainability. | Non-Compliant | <i>Disclose or provide link on the company's policies and practices on the disclosure of non-financial information, including EESG issues.</i> | No policy for the meantime due to minimal activities and operations |
| 2. Company adopts a globally recognized standard/framework in reporting sustainability and non-financial issues.  | Non-Compliant | <i>Provide link to Sustainability Report, if any. Disclose the standards used.</i>   | No policy for the meantime due to minimal activities and operations |

*Principle 11: The company should maintain a comprehensive and cost-efficient communication channel for disseminating relevant information. This channel is crucial for informed decision-making by investors, stakeholders and other interested users.*

**Recommendation 11.1**

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| 1. Company has media and analysts' briefings as channels of communication to ensure the timely and accurate dissemination of public, material and relevant information to its shareholders and other investors. | Compliant | <p><i>Disclose and identify the communication channels used by the company (i.e., website, Analyst's briefing, Media briefings /press conferences, Quarterly reporting, Current reporting, etc.).<br/>Provide links, if any.</i></p> <p><a href="http://www.brightkindle.com/">http://www.brightkindle.com/</a></p> |  |
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**Supplemental to Principle 11**

|  |               |  |                         |
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| 1. Company has a website disclosing up-to-date information on the following: | Compliant     | <p><i>Provide link to company website</i></p> <p><a href="http://www.brightkindle.com/">http://www.brightkindle.com/</a></p>   |                         |
| a. Financial statements/reports (latest quarterly)                           | Compliant     | <p><a href="http://www.brightkindle.com/company-disclosures/sec-filings/sec-form-17-q-quarterly-report/">http://www.brightkindle.com/company-disclosures/sec-filings/sec-form-17-q-quarterly-report/</a></p>               |                         |
| b. Materials provided in briefings to analysts and media                     | Non-Compliant |  | Currently being updated |
| c. Downloadable annual report  | Compliant     | <p><a href="http://www.brightkindle.com/company-disclosures/sec-filings/sec-form-17-a-annual-report/">http://www.brightkindle.com/company-disclosures/sec-filings/sec-form-17-a-annual-report/</a></p>                     |                         |
| d. Notice of ASM and/or SSM  | Compliant     | <p><a href="http://www.brightkindle.com/company-disclosures/notice-of-annual-or-special-stockholders-meetings/">http://www.brightkindle.com/company-disclosures/notice-of-annual-or-special-stockholders-meetings/</a></p> |                         |
| e. Minutes of ASM and/or SSM   | Non-Compliant |  | Currently being updated |
| f. Company's Articles of Incorporation and By-Laws                           | Compliant     | <p><a href="http://www.brightkindle.com/our-company/articles-of-incorporation-by-laws-all-amendments-thereto/">http://www.brightkindle.com/our-company/articles-of-incorporation-by-laws-all-amendments-thereto/</a></p>   |                         |

**Additional Recommendation to Principle 11**

|   |           |  |  |
|---|-----------|--|--|
| 1. Company complies with SEC-prescribed website template. | Compliant | <p><a href="http://www.brightkindle.com/">http://www.brightkindle.com/</a></p> |  |
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*Internal Control System and Risk Management Framework*

*Principle 12: To ensure the integrity, transparency and proper governance in the conduct of its affairs, the company should have a strong and effective internal control system and enterprise risk management framework.*

*Recommendation 12.1*

|  |                      |   |  |
|--|----------------------|---|--|
| <p>1. Company has an adequate and effective internal control system in the conduct of its business.</p>              | <p>Compliant</p>     | <p>List quality service programs for the internal audit functions. Indicate frequency of review of the internal control system<br/>Please refer to Manual on Corporate Governance and Audit Committee functions</p>   |  |
| <p>2. Company has an adequate and effective enterprise risk management framework in the conduct of its business.</p> | <p>Non-Compliant</p> | <p>Identify international framework used for Enterprise Risk Management</p> <p>Provide information or reference to a document containing information on:</p> <ol style="list-style-type: none"> <li>1. Company's risk management procedures and processes</li> <li>2. Key risks the company is currently facing</li> <li>3. How the company manages the key risks</li> </ol> <p>Indicate frequency of review of the enterprise risk management framework.</p> | <p>Although the company has no comprehensive, enterprise wide ERM framework, it believes that it already has in place the basic components of an ERM to address the various risks the Company is exposed to.</p> <p>The Board of Directors and Management assess the various risks involved in its operations, including the agreements, contracts and transactions it enters into. The company has appointed an Audit Committee whose duty and responsibilities include among others, the oversight of financial management functions specifically in the areas of managing credit, market, liquidity, operational, legal and other risks of the Corporation, and crisis management. The Board has appointed a risk management officer with a rank of a vice president to regularly review and formulate plans for the management of all risks whether internal or external risks.</p> <p>Revised Manual on Corporate Governance</p> <p><a href="https://marcventuresholdings.com/private/any/other-disclosures/2017/06.01.2017-Other-SEC-Forms-Reports-and-Requirements.pdf">https://marcventuresholdings.com/private/any/other-disclosures/2017/06.01.2017-Other-SEC-Forms-Reports-and-Requirements.pdf</a></p> |

*Supplement to Recommendations 12.1*

|   |                      |   |   |
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| <p>1. Company has a formal comprehensive enterprise-wide compliance program covering compliance with laws and relevant regulations that is annually reviewed. The program includes appropriate training and awareness initiatives to facilitate understanding, acceptance and compliance with the said issuances.</p> | <p>Compliant</p>     | <p><i>Provide information on or link/ reference to a document containing the company's compliance program covering compliance with laws and relevant regulations.</i></p> <p><i>Indicate frequency of review.</i></p> <p>The company is guided by the Securities Regulations Code, Philippine Corporate Code and PSE disclosure Rules with regard to compliance with laws and relevant regulations.</p> |   |
| <p><b>Optional: Recommendation 12.1</b></p>   |                      |   |   |
| <p>1. Company has a governance process on IT issues including disruption, cyber security, and disaster recovery, to ensure that all key risks are identified, managed and reported to the board.</p>  | <p>Non-Compliant</p> | <p><i>Provide information on IT governance process</i></p>  | <p>Although the company has yet to formalize the governance process covering IT issues, It has in place an IT Department dedicated to handle disruption, cyber security, and disaster recovery, to ensure that all key risks are identified, managed and reported .</p> |
| <p><b>Recommendation 12.2</b></p>   |                      |   |   |
| <p>1. Company has in place an independent internal audit function that provides an independent and objective assurance, and consulting services designed to add value and improve the company's operations.</p>   | <p>Non-Compliant</p> | <p><i>Disclose if the internal audit is in-house or outsourced. If outsourced, identify external firm.</i></p>  | <p>The Company has no CAE considering its minimal operation.</p>  |
| <p><b>Recommendation 12.3</b></p>   |                      |   |   |
| <p>1. Company has a qualified Chief Audit Executive (CAE) appointed by the Board.</p>   | <p>Non-Compliant</p> | <p><i>Identify the company's Chief Audit Executive (CAE) and provide information on or reference to a document containing his/her responsibilities.</i></p>   | <p>The Company has no CAE considering its minimal operation.</p>  |
| <p>2. CAE oversees and is responsible for the internal audit activity of the organization, including that portion that is outsourced to a third party service provider.</p>   | <p>Non-Compliant</p> |   | <p>The Company has no CAE considering its minimal operation.</p>  |
| <p>3. In case of a fully outsourced internal audit activity, a qualified independent executive or senior management personnel is assigned the responsibility for managing the fully outsourced internal audit activity.</p>   | <p>Non-Compliant</p> | <p><i>Identify qualified independent executive or senior management personnel, if applicable.</i></p>   | <p>The Company has no CAE considering its minimal operation.</p>  |

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| <b>Recommendation 12.4</b>   |               |  |   |
| 1. Company has a separate risk management function to identify, assess and monitor key risk exposures.   | Non-Compliant | <i>Provide information on company's risk management function.</i>  | The Board of Directors and Management assess the various risks involved in its operations, including the agreements, contracts and transactions it enters into. The company has appointed an Audit Committee whose duty and responsibilities include among others, the oversight of financial management functions specifically in the areas of managing credit, market, liquidity, operational, legal and other risks of the Corporation, and crisis management. The Board has appointed a risk management officer with a rank of a vice president to regularly review and formulate plans for the management of all risks whether internal or external risks. |
| <b>Supplement to Recommendation 12.4</b>   |               |  |   |
| 1. Company seeks external technical support in risk management when such competence is not available internally.   | Non-Compliant | <i>Identify source of external technical support, if any.</i>  | Not applicable. The Company did not encounter any matter which will require external technical support in risk management.  |
| <b>Recommendation 12.5</b>   |               |  |   |
| 1. In managing the company's Risk Management System, the company has a Chief Risk Officer (CRO), who is the ultimate champion of Enterprise Risk Management (ERM).                                   | Non-compliant | <i>Identify the company's Chief Risk Officer (CRO) and provide information on or reference to a document containing his/her responsibilities and qualifications/background.</i>  | The Company has yet to appoint a Chief Risk Officer.  |
| 2. CRO has adequate authority, stature, resources and support to fulfill his/her responsibilities.   | Non-compliant |  | The Company has yet to appoint a Chief Risk Officer.  |
| <b>Additional Recommendation to Principle 12</b>   |               |  |   |
| 1. Company's Chief Executive Officer and Chief Audit Executive attest in writing, at least annually, that a sound internal audit, control and compliance system is in place and working effectively. | Compliant     | <i>Provide link to CEO and CAE's attestation</i><br><br>The CEO and the Audit Committee attest to the audit requirements of the Company through the Statement of Management Responsibility attached to the Financial Statements. |   |

*Cultivating a Synergic Relationship with Shareholders*

*Principle 13: The company should treat all shareholders fairly and equitably, and also recognize, protect and facilitate the exercise of their rights.*

**Recommendation 13.1**

|  |                  |   |  |
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| <p>1. Board ensures that basic shareholder rights are disclosed in the Manual on Corporate Governance.</p> | <p>Compliant</p> | <p><i>Provide link or reference to the company's Manual on Corporate Governance where shareholders' rights are disclosed.</i></p> <p><a href="http://www.brightkindle.com/corporate-governance/manual-on-corp-governance/">http://www.brightkindle.com/corporate-governance/manual-on-corp-governance/</a></p> <p>The Board shall respect the rights of the stockholders as provided for in the Corporation Code, namely:</p> <ul style="list-style-type: none"> <li>I. Right to vote on all matters that require their consent or approval;</li> <li>II. Pre-emptive right to all stock issuances of the corporation;</li> <li>III. Right to inspect corporate books and records;</li> <li>IV. Right to information;</li> <li>V. Right to Dividends;</li> <li>VI. appraisal Rights.</li> <li>VII. The Board should be transparent and fair in the conduct of the annual and special stockholders' meetings of the corporation. The stockholders should be encouraged to personally attend such meetings. If they cannot attend, they should be apprised ahead of time of their right to appoint a proxy. Subject to the requirements of the By-Laws, the exercise of that right shall not be unduly restricted and any doubt about the validity of a proxy should be resolved in the stockholder's favor.</li> </ul> |  |
| <p>2. Board ensures that basic shareholder rights are disclosed on the company's website.</p>              | <p>Compliant</p> | <p><i>Provide link to company's website</i></p>   |  |

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|--|-----------|--|--|
|  |           | <a href="http://www.brightkindle.com/corporate-governance/manual-on-corp-governance/">http://www.brightkindle.com/corporate-governance/manual-on-corp-governance/</a>  |  |
| <b>Supplement to Recommendation 13.1</b>   |           |  |  |
| 1. Company's common share has one vote for one share.  | Compliant | The principles are mandated by the laws of the Corporation   |  |
| 2. Board ensures that all shareholders of the same class are treated equally with respect to voting rights, subscription rights and transfer rights. | Compliant | <p><i>Provide information on all classes of shares, including their voting rights if any.</i></p> <p>The Board shall respect the rights of the stockholders as provided for in the Corporation Code, namely:</p> <p>I. Right to vote on all matters that require their consent or approval;</p> <p>II. Pre-emptive right to all stock issuances of the corporation;</p> <p>III. Right to inspect corporate books and records;</p> <p>IV. Right to information;</p> <p>V. Right to Dividends;</p> <p>VI. VI.A appraisal Rights.</p> <p>VII. The Board should be transparent and fair in the conduct of the annual and special stockholders' meetings of the Corporation. The stockholders should be encouraged to personally attend such meetings. If they cannot attend, they should be apprised ahead of time of their right to appoint a proxy. Subject to the requirements of the By-Laws, the exercise of that right shall not be unduly restricted and any doubt about the validity of a proxy should be resolved in the stockholder's favor.</p> |  |
| 3. Board has an effective, secure, and efficient voting system.  | Compliant | <p><i>Provide link to voting procedure. Indicate if voting is by poll or show of hands.</i></p> <p>Information Statement</p>   |  |

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|  |           | The method and manner of counting the votes of shareholders shall be by viva voce and/or by ballots. The votes shall be counted by the Corporate Secretary and/or Asst. Corporate Secretary, who shall be assisted by the stock transfer agent.  |  |
| 4. Board has an effective shareholder voting mechanisms such as supermajority or “majority of minority” requirements to protect minority shareholders against actions of controlling shareholders. | Compliant | <p><i>Provide information on shareholder voting mechanisms such as supermajority or “majority of minority”, if any.</i></p> <p>The Company observes the requirement of the Corporation Code.</p>   |  |
| 5. Board allows shareholders to call a special shareholders’ meeting and submit a proposal for consideration or agenda item at the AGM or special meeting.   | Compliant | <p><i>Provide information on how this was allowed by board (i.e., minutes of meeting, board resolution)</i></p> <p>There was no instance where the shareholders called for a special meeting/submission of proposal for consideration or agenda item at the AGM or special meeting. Nonetheless the Board will allow it if requested</p>   |  |
| 6. Board clearly articulates and enforces policies with respect to treatment of minority shareholders.   | Compliant | <p><i>Provide information or link/reference to the policies on treatment of minority shareholders</i></p> <p>The minority shareholders should be granted the right to propose the holding of a meeting, and the right to propose items in the agenda of the meeting, provided the items are for legitimate business purposes.</p> <p>The minority shareholders should have access to any and all information relating to matters for which the management is accountable for and to those relating to matters for which the management should include such information and, if not included, then the minority shareholders can propose to include such matters in the agenda of</p> |  |



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|  |           | stockholders' meeting, being within the definition of "legitimate purposes".  |  |
| 7. Company has a transparent and specific dividend policy.   | Compliant | <p><i>Provide information on or link/reference to the company's dividend Policy.</i></p> <p><i>Indicate if company declared dividends. If yes, indicate the number of days within which the dividends were paid after declaration. In case the company has offered scrip-dividends, indicate if the company paid the dividends within 60 days from declaration</i></p> <p><u>See by-laws</u><br/> <a href="http://www.brightkindle.com/our-company/articles-of-incorporation-by-laws-all-amendments-thereto/">http://www.brightkindle.com/our-company/articles-of-incorporation-by-laws-all-amendments-thereto/</a></p> |  |
| <b>Optional: Recommendation 13.1</b>   |           |   |  |
| 1. Company appoints an independent party to count and/or validate the votes at the Annual Shareholders' Meeting.   | Compliant | <p><i>Identify the independent party that counted/validated the votes at the ASM, if any.</i></p> <p>STOCK TRANSFER SERVICE, INC.<br/> 34-D Rufino Pacific Tower,<br/> 6784 Ayala Avenue, Makati City, 1226<br/> Philippines</p>  |  |
| <b>Recommendation 13.2</b>   |           |   |  |
| 1. Board encourages active shareholder participation by sending the Notice of Annual and Special Shareholders' Meeting with sufficient and relevant information at least 28 days before the meeting. | Compliant | <p><i>Indicate the number of days before the annual stockholders' meeting or special stockholders' meeting when the notice and agenda were sent out</i></p> <p><i>Indicate whether shareholders' approval of remuneration or any changes therein were included in the agenda of the meeting.</i></p> <p><i>Provide link to the Agenda included in the company's Information Statement (SEC Form 20-IS)</i></p>  |  |
| <b>Supplemental to Recommendation 13.2</b>   |           |   |  |
| 1. Company's Notice of Annual Stockholders' Meeting contains the following information:  | Compliant | <p><i>Provide link or reference to the company's notice of Annual Shareholders' Meeting</i></p> <p>15 business days before the annual meeting</p>   |  |

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|  |           | <p>There were no changes in remuneration as of the Last Annual Meeting</p> <p><a href="http://www.brightkindle.com/company-disclosures/minutes-of-all-general-special-stockholders-meetings/">http://www.brightkindle.com/company-disclosures/minutes-of-all-general-special-stockholders-meetings/</a></p> <p>See information statement and website<br/> <a href="http://www.brightkindle.com">http://www.brightkindle.com</a><br/> <a href="http://www.brightkindle.com/company-disclosures/sec-filings/sec-form-20-is-information-statement/">http://www.brightkindle.com/company-disclosures/sec-filings/sec-form-20-is-information-statement/</a></p> |  |
| a. The profiles of directors (i.e., age, academic qualifications, date of first appointment, experience, and directorships in other listed companies)  | Compliant | <p><a href="http://www.brightkindle.com/">http://www.brightkindle.com/</a><br/> See information statement and website<br/> <a href="http://www.brightkindle.com/company-disclosures/sec-filings/sec-form-20-is-information-statement/">http://www.brightkindle.com/company-disclosures/sec-filings/sec-form-20-is-information-statement/</a></p>   |  |
| b. Auditors seeking appointment/re-appointment   | Compliant | <p>See information statement and website<br/> <a href="http://www.brightkindle.com/company-disclosures/sec-filings/sec-form-20-is-information-statement/">http://www.brightkindle.com/company-disclosures/sec-filings/sec-form-20-is-information-statement/</a></p>  |  |
| c. Proxy documents   | Compliant | <p>See information statement and website<br/> <a href="http://www.brightkindle.com/company-disclosures/sec-filings/sec-form-20-is-information-statement/">http://www.brightkindle.com/company-disclosures/sec-filings/sec-form-20-is-information-statement/</a></p>  |  |
| <b>Optional: Recommendation 13.2</b>   |           |  |  |
| <b>Optional: Recommendation 13.2</b>   |           |  |  |
| 1. Company provides rationale for the agenda items for the annual stockholders meeting   | Compliant | <p><i>Provide link or reference to the rationale for the agenda items</i></p> <p>See information statement and website</p>   |  |
| <b>Recommendation 13.3</b>   |           |  |  |
| 1. Board encourages active shareholder participation by making the result of the votes taken during the most recent Annual or Special Shareholders' Meeting publicly available the next working day. | Compliant | <p><i>Provide information or reference to a document containing information on 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>  |  |

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|   |               | After the agenda is discussed, the floor is opened for questions from the shareholders. No questions were raised during the meeting<br><br>Website is being updated   |   |
| 2. Minutes of the Annual and Special Shareholders' Meetings were available on the company website within five business days from the end of the meeting.            | Non-Compliant | <i>Provide link to minutes of meeting in the company website.</i><br><br><i>Indicate voting results for all agenda items, including the approving, dissenting and abstaining votes.</i><br><br><i>Indicate also if the voting on resolutions was by poll.</i><br><br><i>Include whether there was opportunity to ask question and the answers given, if any</i> | Website is being updated<br><a href="http://www.brightkindle.com/company-disclosures/minutes-of-all-general-special-stockholders-meetings/">http://www.brightkindle.com/company-disclosures/minutes-of-all-general-special-stockholders-meetings/</a><br>Shareholders representing 82.81% of the Company's outstanding shares approved all items in the agenda.<br><br>After the agenda is discussed, the floor is opened for questions from the shareholders |
| <b>Supplement to Recommendation 13.3</b>  |               |   |   |
| 1. Board ensures the attendance of the external auditor and other relevant individuals to answer shareholders questions during the ASM and SSM.                     | compliant     | <i>Indicate if the external auditor and other relevant individuals were present during the ASM and/or special meeting</i><br>Representatives of Reyes Tacandong & Co. including Ms. Carolina Angeles  |   |
| <b>Recommendation 13.4</b>  |               |   |   |
| 1. Board makes available, at the option of a shareholder, an alternative dispute mechanism to resolve intra-corporate disputes in an amicable and effective manner. | compliant     | <i>Provide details of the alternative dispute resolution made available to resolve intra-corporate disputes</i><br><br>There has been no instance of intra-corporate disputes   |   |
| 2. The alternative dispute mechanism is included in the company's Manual on Corporate Governance.   | compliant     | <i>Provide link/reference to where it is found in the Manual on Corporate Governance</i><br><a href="http://www.brightkindle.com/corporate-governance/manual-on-corp-governance/">http://www.brightkindle.com/corporate-governance/manual-on-corp-governance/</a>   |   |
| <b>Recommendation 13.5</b>  |               |   |   |
| 1. Board establishes an Investor Relations Office (IRO) to ensure constant engagement with its shareholders.  | Non-compliant | <i>Disclose the contact details of the officer/office responsible for investor relations, such as:</i><br>1. Name of the person<br>2. Telephone number<br>3. Fax number   | The Company has minimal operations and the shareholders may openly communicate with the Corporate Secretary or STSI regarding shareholders' concerns  |

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|  |               | 4. E-mail address   |  |
| 2. IRO is present at every shareholder's meeting.  | Non-Compliant | Indicate if the IRO was present during the ASM.   | The Company has minimal operations and the shareholders may openly communicate with the Corporate Secretary or STSI regarding shareholders' concerns |
| <b>Supplemental Recommendations to Principle 13</b>  |               |   |  |
| 1. Board avoids anti-takeover measures or similar devices that may entrench ineffective management or the existing controlling shareholder group | Compliant     | Provide information on how anti-takeover measures or similar devices were avoided by the board, if any.<br><br>The Company has no anti-takeover measures  |  |
| 2. Company has at least thirty percent (30%) public float to increase liquidity in the market.   | Non-Compliant | Indicate the company's public float.  | 17.22% as of December 31, 2018   |
| <b>Optional: Principle 13</b>  |               |   |  |
| 1. Company has policies and practices to encourage shareholders to engage with the company beyond the Annual Stockholders' Meeting               | Compliant     | Disclose or provide link/reference to policies and practices to encourage shareholders' participation beyond ASM<br><br>The Company's practice with regard to shareholder communications to ensure effective communications with its shareholders are done in the following manner:-<br><br>(i) Dialogue between the Companies and Investors. The Company recognizes the importance of accountability to its shareholders and through proper and timely dissemination of information on the Company's performance and major developments via appropriate channel of communication. Dissemination of information includes the distribution of the Annual Report and relevant circulars, issuance of press releases inclusive of quarterly financial performance of the Company to SEC and PSE Edge and the public via the Company's website (www.marcventuresholdings.com) which | (ii)   |

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|  |               | <p>the shareholders can access for information.</p> <p>Annual Stockholders' Meeting ("ASM") The ASM is a platform for the Board and shareholders to communicate on the Company's performance. At the ASM, shareholders are encouraged to seek clarification on any matters pertaining to the business and financial performance of the Company. Any item of special business included in the notice of the meeting will be accompanied by a full explanation of the effect of the proposed resolution which is then separately voted on. The Shareholders are informed of their right to demand for poll prior to the commencement of each general meeting. Any enquiry regarding the Company and its group of companies may be conveyed to the following personnel: Atty. Diane Madelyn Ching Tel.#831-4479 email: <a href="mailto:diane.ching@marcventures.com.ph">diane.ching@marcventures.com.ph</a></p> |   |
| 2. Company practices secure electronic voting in absentia at the Annual Shareholders' Meeting. | Non-compliant | <i>Disclose the process and procedure for secure electronic voting in absentia, if any.</i>  | The Company does not use electronic voting in absentia. |

**Duties to Stakeholders**

**Principle 14: The rights of stakeholders established by law, by contractual relations and through voluntary commitments must be respected. Where stakeholders' rights and/or interests are at stake, stakeholders should have the opportunity to obtain prompt effective redress for the violation of their rights.**

**Recommendation 14.1**

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| 1. Board identifies the company's various stakeholders and promotes cooperation between them and the company in creating wealth, growth and sustainability. | Compliant | <p><i>Identify the company's shareholder and provide information or reference to a document containing information on the company's policies and programs for its stakeholders.</i></p> <p>The Company's Stakeholders are the Shareholders, Management, Board, employees, customers, suppliers, creditors, government agencies and community from which the business draws its resources.</p> |  |
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|  |           | At the moment, the Company has no policies aside from what is provided by the law but shall formulate policies that will protect stakeholders' rights which goes beyond what the law requires.   |  |
| <b>Recommendation 14.2</b>   |           |  |  |
| 1. Board establishes clear policies and programs to provide a mechanism on the fair treatment and protection of stakeholders.  | Compliant | <p><i>Identify policies and programs for the protection and fair treatment of company's stakeholders</i></p> <p>The Company discloses material information to adequately inform the shareholders of the activities of the Company.</p>   |  |
| <b>Recommendation 14.3</b>   |           |  |  |
| 1. Board adopts a transparent framework and process that allow stakeholders to communicate with the company and to obtain redress for the violation of their rights. | Compliant | <p><i>Provide the contact details (i.e., name of contact person, dedicated phone number or e-mail address, etc.) which stakeholders can use to voice their concerns and/or complaints for possible violation of their rights.</i></p> <p><i>Provide information on whistleblowing policy, practices and procedures for stakeholders</i></p> <p>Any enquiry regarding the Company and its group of companies may be conveyed to the following personnel: Atty. Diane Madelyn Ching<br/>Tel.#831-4479 email:<br/>diane.ching@marcventures.com.ph</p> |  |
| <b>Supplement to Recommendation 14.3</b>   |           |  |  |
| 1. Company establishes an alternative dispute resolution system so that conflicts and differences with key stakeholders is settled in a fair and expeditious manner. | Compliant | <p><i>Provide information on the alternative dispute resolution system established by the company.</i></p> <p>A grievance policy for employees as well as for community complaints and disputes.</p>   |  |
| <b>Additional Recommendations to Principle 14</b>  |           |  |  |
| 1. Company does not seek any exemption from the application of a law, rule or regulation especially when it refers to a corporate governance issue. If an            | Compliant | <i>Disclose any requests for exemption by the company and the reason for the request.</i>  |  |

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| exemption was sought, the company discloses the reason for such action, as well as presents the specific steps being taken to finally comply with the applicable law, rule or regulation.             |               | The Company complies with requirements of Corporation Code and the Securities Regulation Code.  |   |
| 2. Company respects intellectual property rights.   | Compliant     | <i>Provide specific instances, if any.</i><br>The company buys licensed softwares such as Microsoft, antivirus, database applications etc.  |   |
| <b>Optional: Principle 14</b>   |               |   |   |
| 1. Company discloses its policies and practices that address customers' welfare   | Non-Compliant | <i>Identify policies, programs and practices that address customers' welfare or provide link/reference to a document containing the same.</i>   | Not applicable. The Company has no direct customers.  |
| 2. Company discloses its policies and practices that address supplier/contractor selection procedures   | Compliant     | <i>Identify policies, programs and practices that address supplier/contractor selection procedures or provide link/reference to a document containing the same.</i><br><br>The Company has a policy on Contractor/Vendors Accreditation                               |   |
| <b>Principle 15: A mechanism for employee participation should be developed to create a symbiotic environment, realize the company's goals and participate in its corporate governance processes.</b> |               |   |   |
| <b>Recommendation 15.1</b>  |               |   |   |
| 1. Board establishes policies, programs and procedures that encourage employees to actively participate in the realization of the company's goals and in its governance.                              | Non-Compliant | <i>Provide information on or link/reference to company policies, programs and procedures that encourage employee participation.</i>   | The Company conducts general assemblies to encourage employee participation.                                |
| <b>Supplement to Recommendation 15.1</b>  |               |   |   |
| 1. Company has a reward/compensation policy that accounts for the performance of the company beyond short-term financial measures.  | Non-Compliant | <i>Disclose if company has in place a merit-based performance incentive mechanism such as an employee stock option plan (ESOP) or any such scheme that awards and incentivizes employees, at the same time aligns their interests with those of the shareholders.</i> | The Company has no merit-based performance incentive mechanism such as an employee stock option plan (ESOP) |

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| 2. Company has policies and practices on health, safety and welfare of its employees.   | Compliant | <p>Disclose and provide information on policies and practices on health, safety and welfare of employees. Include statistics and data, if any.</p> <p><a href="http://www.brightkindle.com/?s=health+and+safety">http://www.brightkindle.com/?s=health+and+safety</a></p>  | <p><u>Employees are provided with Health Maintenance Organization (HMO) cards.</u></p> |
| 3. Company has policies and practices on training and development of its employees.   | Compliant | <p>Disclose and provide information on policies and practices on training and development of employees. Include information on any training conducted or attended.</p> <p>Employees are encouraged to obtain trainings relevant to their work.</p>   |  |
| <b>Recommendation 15.2</b>  |           |  |  |
| 1. Board sets the tone and makes a stand against corrupt practices by adopting an anti-corruption policy and program in its Code of Conduct.  | Compliant | <p>Identify or provide link/reference to the company's policies, programs and practices on anti-corruption</p> <p><a href="http://www.brightkindle.com/">http://www.brightkindle.com/</a></p>  |  |
| 2. Board disseminates the policy and program to employees across the organization through trainings to embed them in the company's culture.   | Compliant | <p>Identify how the board disseminated the policy and program to employees across the organization</p>   | General meetings   |
| <b>Supplement to Recommendation 15.2</b>  |           |  |  |
| 1. Company has clear and stringent policies and procedures on curbing and penalizing employee involvement in offering, paying and receiving bribes.                                       | Compliant | <p>Identify or provide link/reference to the company policy and procedures on penalizing employees involved in corrupt practices.</p> <p>Include any finding of violations of the company policy.</p> <p><a href="http://www.brightkindle.com/">http://www.brightkindle.com/</a></p>   |  |
| <b>Recommendation 15.3</b>  |           |  |  |
| 1. Board establishes a suitable framework for whistleblowing that allows employees to freely communicate their concerns about illegal or unethical practices, without fear of retaliation | Compliant | <p>Disclose or provide link/reference to the company whistleblowing policy and procedure for employees.</p> <p>Indicate if the framework includes procedures to protect the employees from retaliation.</p> <p>Provide contact details to report any illegal or unethical behavior.</p> <p><a href="http://www.brightkindle.com/">http://www.brightkindle.com/</a></p> |  |



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| 2. Board establishes a suitable framework for whistleblowing that allows employees to have direct access to an independent member of the Board or a unit created to handle whistleblowing concerns.  | Compliant | <a href="http://www.brightkindle.com/">http://www.brightkindle.com/</a>  |   |
| 3. Board supervises and ensures the enforcement of the whistleblowing framework.   | Compliant | <i>Provide information on how the board supervised and ensured enforcement of the whistleblowing framework, including any incident of whistleblowing.</i><br><a href="http://www.brightkindle.com/">http://www.brightkindle.com/</a> |   |
| <b>Principle 16: The company should be socially responsible in all its dealings with the communities where it operates. It should ensure that its interactions serve its environment and stakeholders in a positive and progressive manner that is fully supportive of its comprehensive and balanced development.</b> |           |  |   |
| <b>Recommendation 16.1</b>   |           |  |   |
| 1. Company recognizes and places importance on the interdependence between business and society, and promotes a mutually beneficial relationship that allows the company to grow its business, while contributing to the advancement of the society where it operates.   | Compliant | <i>Provide information or reference to a document containing information on the company's community involvement and environment-related programs.</i>  | <a href="http://www.brightkindle.com/">http://www.brightkindle.com/</a>   |
| <b>Optional: Principle 16</b>  |           |  |   |
| 1. Company ensures that its value chain is environmentally friendly or is consistent with promoting sustainable development  | Compliant | <i>Identify or provide link/reference to policies, programs and practices to ensure that its value chain is environmentally friendly or is consistent with promoting sustainable development.</i>                                    | <a href="http://www.brightkindle.com/?s=corporate+social+">http://www.brightkindle.com/?s=corporate+social+</a> |
| 2. Company exerts effort to interact positively with the communities in which it operates  | Compliant | <i>Identify or provide link/reference to policies, programs and practices to interact positively with the communities in which it operates.</i>  | <a href="http://www.brightkindle.com/?s=corporate+social+">http://www.brightkindle.com/?s=corporate+social+</a> |



Bright Kindle Resources  
& Investments, Inc.

|                      | Name                       | Number of Meetings Held During the Year | Number of Meetings Attended | Percentage |
|----------------------|----------------------------|---|-----------------------------|------------|
| Chairman             | Cesar C. Zalamea           | 5                                       | 5                           | 100%       |
| President            | Isidro C. Alcantara, Jr.   | 5                                       | 5                           | 100%       |
| Board Member         | Rolando S. Santos          | 5                                       | 5                           | 100%       |
| Board Member         | Remegio C. Dayandayan, Jr. | 5                                       | 5                           | 100%       |
| Board Member         | Minda P. De Paz            | 5                                       | 5                           | 100%       |
| Board Member         | Augusto C. Serafica, Jr.   | 5                                       | 5                           | 100%       |
| Board Member         | Diane Madelyn C. Ching     | 5                                       | 5                           | 100%       |
| Board Member         | Macario U. Te              | 5                                       | 3                           | 60%        |
| Independent Director | Carlos Alfonso T. Ocampo   | 5                                       | 5                           | 100%       |
| Independent Director | Vicente V. Mendoza         | 5                                       | 5                           | 100%       |

1. The Board of Directors of the Company held meetings for the year 2018, specifically on the following dates:

| Date of Meeting | Nature of Meetings           |
|-----------------|------------------------------|
| 10 April 2018   | Regular Meeting              |
| 20 April 2018   | Special Meeting              |
| 27 July 2018    | Regular Meeting              |
| 4 December 2018 | Organizational Meeting       |
| 4 December 2018 | Annual Shareholders' Meeting |

2. Based on the records of the minutes of the above meetings of the Corporation, no director has absented himself for more than fifty percent (50%) from all meetings of the Board of Directors, both regular and special, during his incumbency or any twelve (12) month period during said incumbency. Attached as Annex "A" hereof is a summary of the attendance of the directors.
3. The Corporation held its annual stockholders' meeting on December 4, 2018. The Chairman of the Board, President and all the directors of the Corporation likewise attended the said annual stockholders' meeting of the Corporation on December 4, 2018.

### Meetings of the Board of Directors for the Year 2018

| Name of Directors          | RM | SM | RM | OM | ASM |
|----------------------------|----|----|----|----|-----|
| Cesar C. Zalamea           | √  | √  | √  | √  | √   |
| Isidro C. Alcantara, Jr.   | √  | √  | √  | √  | √   |
| Macario U. Te              | √  | √  | √  | x  | x   |
| Remegio C. Dayandayan, Jr. | √  | √  | √  | √  | √   |
| Augusto C. Serafica, Jr.   | √  | √  | √  | √  | √   |
| Hermogene H. Real          | √  | √  | √  | √  | √   |
| Rolando S. Santos          | √  | √  | √  | √  | √   |
| Minda P. De Paz            | √  | √  | √  | √  | √   |
| Carlos Alfonso T. Ocampo   | √  | √  | √  | √  | √   |
| Vicente V. Mendoza         | √  | √  | √  | √  | √   |

**Legend:**

- √ - Present
- X - Absent
- RM - Regular Board Meeting
- SM - Special Board Meeting
- OM - Organizational Board Meeting
- NA - Not Applicable

We trust that the foregoing is sufficient. Should you require any further information, please let us know.

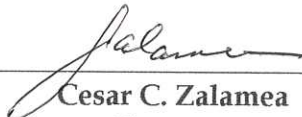
Very truly yours,




**Atty. Diane Madelyn C. Ching**  
Corporate Secretary

Pursuant to the requirement of the Securities and Exchange Commission, this Annual Corporate Governance Report is signed on behalf of the registrant by the undersigned, thereunto duly authorized, in the City of Makati on MAY 30 2019.

**SIGNATURES**

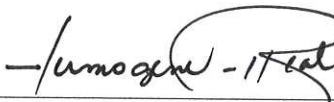
  
 Cesar C. Zalamea  
 Chairman

  
 Isidro C. Alcantara, Jr.  
 President

  
 Carlos Alfonso T. Ocampo  
 Independent Director

  
 Vicente V. Mendoza  
 Independent Director

  
 Diane Madelyn C. Ching  
 Corporate Secretary

  
 Hermogene H. Real  
 Asst. Corporate Secretary

**MAKATI CITY**

**MAY 30 2019**

SUBSCRIBED AND SWORN to before me this \_\_\_\_\_ day of \_\_\_\_\_, 2019 at Makati City, affiant exhibited to me their \_\_\_\_\_, as follows:

| Name/s                   | Identification Card    | Place of Issue |
|--------------------------|------------------------|----------------|
| Cesar C. Zalamea         | TIN No. 137-712-551    |                |
| Isidro C. Alcantara, Jr. | TIN No. 123-371-185    |                |
| Carlos Alfonso T. Ocampo | TIN No. 165-489-497    |                |
| Vicente V. Mendoza       | TIN No. 113-342-528    |                |
| Hermogene H. Real        | TIN No. 122-295-404    |                |
| Diane Madelyn C. Ching   | Passport No. P1240453A | DFA Manila     |

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 Book No. XII ;  
 Series of 2019.

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