

-----Original Message-----

From: Philippine Stock Exchange <no-reply@pse.com.ph>

Sent: Tuesday, May 30, 2023 8:14 AM

Subject: Integrated Annual Corporate Governance Report

Dear Sir/Madam:

Your disclosure was approved as Company Report. Details are as follows:

Company Name: Pacific Online Systems Corporation Reference Number: 0019007-2023 Date and Time: Tuesday, May 30, 2023 08:14 AM Template Name: Integrated Annual Corporate Governance Report Report Number: CR03877-2023

Best Regards,
PSE EDGE

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SECURITIES AND EXCHANGE COMMISSION

SEC FORM - I-ACGR

INTEGRATED ANNUAL CORPORATE GOVERNANCE REPORT

1. For the fiscal year ended
Dec 31, 2022
2. SEC Identification Number
AS093-008809
3. BIR Tax Identification Number
003-865-392-000
4. Exact name of issuer as specified in its charter
PACIFIC ONLINE SYSTEMS CORPORATION
5. Province, country or other jurisdiction of incorporation
Metro Manila, Philippines
6. Industry Classification Code(SEC Use Only)

7. Address of principal office
28/F East Tower, Philippine Stock Exchange, Exchange Road, Ortigas Center, Pasig
City, Metro Manila
Postal Code
1605
8. Issuer's telephone number, including area code
(632) 8584-1700
9. Former name, former address, and former fiscal year, if changed since last report
N/A

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Pacific Online Systems Corporation

LOTO

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

Integrated Annual Corporate Governance Report for calendar year 2022

Filed on behalf by:

Name	JASON NALUPTA
Designation	ASSISTANT CORPORATE SECRETARY



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 how the overall Principle being recommended is still being achieved 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.



SEC FORM – I-ACGR

INTEGRATED ANNUAL CORPORATE GOVERNANCE REPORT

1. For the fiscal year ended 2021
2. SEC Identification Number AS93008809 3. BIR Tax Identification No. 003-865-392-00000
4. Exact name of issuer as specified in its charter PACIFIC ONLINE SYSTEMS CORPORATION
5.
Province, Country or other jurisdiction of
incorporation or organization
6. (SEC Use Only)
Industry Classification Code:
7. 28TH Floor, East Tower, Tektite Towers,
Exchange Road, Ortigas Center, Pasig City
Address of principal office 1605
Postal Code
8. (02) 8584-1700
Issuer's telephone number, including area code
9. n/a
Former name, former address, and former fiscal year, if changed since last report.

INTEGRATED ANNUAL CORPORATE GOVERNANCE REPORT

	COMPLIANT/ NON- COMPLIANT	ADDITIONAL INFORMATION	EXPLANATION
The Board's Governance Responsibilities			
Principle 1: The company should be headed by a competent, working board to foster the long- term success of the corporation, and to sustain its competitiveness and profitability in a manner consistent with its corporate objectives and the long- term best interests of its shareholders and other stakeholders.			
Recommendation 1.1			
1. Board is composed of directors with collective working knowledge, experience or expertise that is relevant to the company's industry/sector.	Compliant	<i>Provide information or link/reference to a document containing information on the following:</i>	
2. Board has an appropriate mix of competence and expertise.	Compliant	Academic qualifications, industry knowledge, professional experience, expertise and relevant trainings of directors	
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>Company website: https://loto.com.ph/our-company/leadership</p> <p>SEC Form 17A for 2022, pp. 19-21 https://www.loto.com.ph/sites/default/files/POSC%20ANNUAL%20REPORT%202022_0.pdf</p> <p>SEC Form DIS for 2023 ASM, pp. 6-8 https://www.loto.com.ph/sites/default/files/FINAL%20POSC_2023%20ASM_Definitive%2020IS_04262023%20and%20attachments%2026apr23_Redacted.pdf</p> <p>Qualification standards for directors to facilitate the selection of potential</p>	

	<p>nominees and to serve as benchmark for the evaluation of its performance</p> <p>Revised Manual on Corporate Governance (page 5 item no. 2.1.1; page 13 Item 2.9 – Qualification of Directors): https://www.loto.com.ph/sites/default/files/2022%20Revised%20Manual%20C.G.pdf</p> <p>Charter of the Board: https://www.loto.com.ph/sites/default/files/Charter%20of%20the%20BOD.pdf</p> <p>SEC Form 17A Annual Report for 2022, p. 19-21 https://www.loto.com.ph/sites/default/files/POSC%20ANNUAL%20REPORT%202022_0.pdf</p> <p>Definitive Information Statement for 2023 Annual Stockholders' Meeting (DIS), pp. 6-8 https://www.loto.com.ph/sites/default/files/FINAL%20POSC_2023%20ASM_Definitive%20DIS_04262023%20and%20attachments%2026apr23_Redacted.pdf</p> <p>https://www.loto.com.ph/investor-relations/disclosures/pse-sec-filings</p> <p>Board Diversity Skill Set Matrix: https://www.loto.com.ph/sites/default/files/POSC%20Board%20Diversity%202022%204.20.23.pdf</p>	
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Recommendation 1.2

<p>1. Board is composed of a majority of non-executive directors.</p>	<p>Compliant</p>	<p><i>Identify or provide link/reference to a document identifying the directors and the type of their directorships.</i></p> <p>The Board is composed of 9 members, majority of whom are non-executive directors.</p> <p>Company website: https://www.loto.com.ph/our-company/leadership</p> <p>Definitive Information Statement for 2023 Annual Stockholders' Meeting (DIS), p.19-21 https://www.loto.com.ph/sites/default/files/FINAL%20POSC_2023%20ASM_Definitive%20DIS_04262023%20and%20attachments%2026apr23_Redacted.pdf</p> <p>SEC Form 17A (Annual Report) 2022, p. 6-8 https://www.loto.com.ph/sites/default/files/POSC%20ANNUAL%20REPORT%202022_0.pdf</p> <p>Board Charter https://www.loto.com.ph/sites/default/files/Charter%20of%20the%20BOD.pdf</p> <p>Results of the 2022 ASM https://www.loto.com.ph/sites/default/files/5.27.22%20Results%20of%20Annual%20or%20Special%20Stockholders%27%20Meeting%202022.pdf</p>	
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Recommendation 1.3			
1. Company provides in its Board Charter and Manual on Corporate Governance a policy on training of directors.	Compliant	<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> <p>Revised Manual on Corporate Governance p. 5-6 https://www.loto.com.ph/sites/default/files/2022%20Revised%20Manual%20C.G.pdf</p> <p>Board Charter, p. 7 Item VII.h https://www.loto.com.ph/sites/default/files/Charter%20of%20the%20BOD.pdf</p>	
2. Company has an orientation program for first time directors.	Compliant	<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 topic covered.</i></p>	
3. Company has relevant annual continuing training for all directors.	Compliant	<p>The President and Chief Financial Officer conducted onboarding sessions on July 19, 2022 to newly-elected Non-Executive Director Mr. Raul B. de Mesa, and on September 28, 2022, to newly-elected Independent Director Mr. Roberto V. Antonio. Matters discussed were the businesses of the Company, financial reports, governance and compliance matters.</p> <p>SEC Form 17A (Annual Report) 2022, p. 28-29</p>	

https://www.loto.com.ph/sites/default/files/POSC%20ANNUAL%20REPORT%202022_0.pdf

2022 Annual Training
<https://www.loto.com.ph/sites/default/files/8.1.22%20Other%20SEC%20Forms%2C%20Reports%20and%20Requirements%202.pdf>



Name of Director/Officer	Date of Training	Program	Name of Training Institution
Willy N. Oclar	July 20, 2022	Annual Corporate Governance Seminar	EDU Unibank Inc.
Jackson T. Ongtip	July 20, 2022	Annual Corporate Governance Seminar	EDU Unibank Inc.
Armin Antonio B. Rapasa Santos	July 20, 2022	Annual Corporate Governance Seminar	EDU Unibank Inc.
Tarcilio M. Masilla	Aug. 4, 2022	Corporate Governance	Risks, Opportunity, Assessment & Management, Inc.
Henry N. Oclar	July 20, 2022	Annual Corporate Governance Seminar	EDU Unibank Inc.
Luarte E. Serrano	July 20, 2022	Annual Corporate Governance Seminar	EDU Unibank Inc.
Ms. Gracia M. Puhis-Tan	July 20, 2022	Annual Corporate Governance Seminar	EDU Unibank Inc.
Raul B. De Mesa	Oct. 21, 2022	Corporate Governance	Risks, Opportunity, Assessment & Management, Inc.
Roberto Y. Antonio	Oct. 21, 2022	Corporate Governance	Risks, Opportunity, Assessment & Management, Inc.
Michael D. Revilla	July 20, 2022	Annual Corporate Governance Seminar	EDU Unibank Inc.
Grace L. Gatake	July 20, 2022	Annual Corporate Governance Seminar	EDU Unibank Inc.
Maria Maria C. Baraia	July 20, 2022	Annual Corporate Governance Seminar	EDU Unibank Inc.
Anna Josefina G. Estaban	July 20, 2022	Annual Corporate Governance Seminar	EDU Unibank Inc.
Michelle Angeli T. Hernandez	July 20, 2022	Annual Corporate Governance Seminar	EDU Unibank Inc.

Recommendation 1.4

1. Board has a policy on board diversity.

Compliant

Provide information on or link/reference to a document containing information on the company's board diversity policy.

Revised Manual on Corporate Governance page 5 item 2.1.1
<https://www.loto.com.ph/sites/default/files/2022%20Revised%20Manual%20CG.pdf>

Board has 1 female Director and 8 male Directors

Board Charter, p. 1, Item III.a
<https://www.loto.com.ph/sites/default/files/Charter%20of%20the%20BOD.pdf>

		<p>SEC Form 17A (Annual Report) 2022, p. 32-32 https://www.loto.com.ph/sites/default/files/POSC%20ANNUAL%20REPORT%202022_0.pdf</p> <p>Board Diversity Skill Set Matrix https://www.loto.com.ph/sites/default/files/POSC%20Board%20Diversity%202022%204.20.23.pdf</p>	
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Optional: Recommendation 1.4

<p>1. Company has a policy on and discloses measurable objectives for implementing its board diversity and reports on progress in achieving its objectives.</p>	<p>Compliant</p>	<p><i>Provide information on or link/reference to a document containing the company's policy and measurable objectives for implementing board diversity.</i></p> <p><i>Provide link or reference to a progress report in achieving its objectives.</i></p> <p>Revised Manual on Corporate Governance page 5 Item 2.1.1 https://www.loto.com.ph/sites/default/files/2022%20Revised%20Manual%20C.G.pdf</p> <p>DIS for 2023 ASM, pp. 46-47 https://www.loto.com.ph/sites/default/files/FINAL%20POSC_2023%20ASM_Definitive%20DIS_04262023%20and%20attachments%2026apr23_Redacted.pdf</p> <p>DIS for 2022 ASM, pp. 46-47 https://www.loto.com.ph/sites/default/files/4.27.22%20Information%20Statement%202.pdf</p>	
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		<p>Our Corporate Governance Committee pre-qualified and recommended to the Board of Directors, two (2) nominees who were thereafter elected as members of the Board for years 2021-2022, namely Atty. Maria Gracia M. Pulido-Tan as Independent Director and Ms. Regina O. Reyes as Non-Executive Director. For 2022-2023 and 2023-2024, Atty. Maria Gracia M. Pulido Tan, was pre-qualified, recommended to the Board, and re-elected by stockholders as Independent Director.</p> <p>Proxy Form https://www.loto.com.ph/sites/default/files/PROXY%20FORM%202023.pdf</p> <p>Board Diversity Skill Set Matrix https://www.loto.com.ph/sites/default/files/POSC%20Board%20Diversity%202022%204.20.23.pdf</p>	
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Recommendation 1.5			
1. Board is assisted by a Corporate Secretary.	Compliant	<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>	
2. Corporate Secretary is a separate individual from the Compliance Officer.	Compliant		
3. Corporate Secretary is not a member of the Board of Directors.	Compliant		<p>Atty. Jason C. Nalupta is the Company's Corporate Secretary. He is not a member of the Board of Directors.</p>

		<p>Revised Manual on Corporate Governance pp. 6-8 Item 2.2-3 https://www.loto.com.ph/sites/default/files/2022%20Revised%20Manual%20CG.pdf</p> <p>SEC Form 17A (Annual Report) 2022, p. 21 https://www.loto.com.ph/sites/default/files/POSC%20ANNUAL%20REPORT%202022_0.pdf</p> <p>DIS for 2023 ASM, p.8 https://www.loto.com.ph/sites/default/files/FINAL%20POSC_2023%20ASM_Definitive%20DIS_04262023%20and%20attachments%2026apr23_Redacted.pdf</p> <p>DIS for 2022 ASM, p.8 https://www.loto.com.ph/sites/default/files/4.27.22%20Information%20Statement%202022.pdf</p>	
<p>4. Corporate Secretary attends training/s on corporate governance.</p>	<p>Compliant</p>	<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>Atty. Jason Nalupta attended a four-hour corporate governance seminar on July 20, 2022 with topics focusing on sustainability and the role of the Board of Directors and geopolitical risks.</p> <p>2022 Annual Training</p>	

		https://www.loto.com.ph/sites/default/files/8.1.22%20Other%20SEC%20Forms%20C%20Reports%20and%20Requirements%202.pdf	
Optional: Recommendation 1.5			
1. Corporate Secretary distributes materials for board meetings at least five business days before scheduled meeting.	Compliant	<p><i>Provide proof that corporate secretary distributed board meeting materials at least five business days before scheduled meeting.</i></p> <p>Board and Committee meeting materials are electronically sent to members of the Board ahead of the scheduled meetings to provide them ample time to prepare and review. Printed copies are also distributed upon the request of some directors.</p> <p>Revised Manual on Corporate Governance, page 17 Item 2.13.4 https://www.loto.com.ph/sites/default/files/2022%20Revised%20Manual%20C.G.pdf</p>	
Recommendation 1.6			
1. Board is assisted by a Compliance Officer.	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>Revised Manual on Corporate Governance, p.7-8 Item 2.3 https://www.loto.com.ph/sites/default/files/2022%20Revised%20Manual%20C.G.pdf</p>	
2. Compliance Officer has a rank of Senior Vice President or an equivalent position with adequate stature and authority in the corporation.	Compliant		
3. Compliance Officer is not a member of the board.	Compliant		

	<p>SEC Form 17A (Annual Report) 2022, p. 22 https://www.loto.com.ph/sites/default/files/POSC%20ANNUAL%20REPORT%202022_0.pdf</p> <p>DIS for 2023 ASM, p.9-10 https://www.loto.com.ph/sites/default/files/FINAL%20POSC_2023%20ASM_Definitive%2020IS_04262023%20and%20attachments%2026apr23_Redacted.pdf</p> <p>DIS for 2022 ASM, p. 9. https://www.loto.com.ph/sites/default/files/4.27.22%20Information%20Statement%202.pdf</p> <p>Compliance Officer: Michelle T. Hernandez, who was appointed on September 13, 2022. She replaced Ms. Grace L. Gatdula, who was appointed during the May 2022 Organizational Meeting.</p> <p>Ms. Hernandez is not a member of the Board of Directors.</p> <p>Results of the 2022 ASM https://www.loto.com.ph/sites/default/files/5.27.22%20Results%20of%20Annual%20or%20Special%20Stockholders%27%20Meeting%202.pdf</p> <p>Change in Officers and Directors, September 13, 2022 https://www.loto.com.ph/sites/default/files/9.15.22%20%5BAmend-</p>	
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		1%5DChange%20in%20Directors%20and%20Officers%20%28Resignation%2C%20Removal%20or%20Appointment%2C%20Election%20and%20Promotion%29%202.pdf	
4. Compliance Officer attends training/s on corporate governance.	Compliant	<p><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></p> <p>Ms. Hernandez attended a corporate governance seminar on July 20, 2022 with topics focusing on sustainability and the role of the Board of Directors and geopolitical risks.</p> <p>2022 Annual Training https://www.loto.com.ph/sites/default/files/9.27.22%20Other%20SEC%20Forms%2C%20Reports%20and%20Requirements%20202.pdf</p>	
Principle 2: The fiduciary roles, responsibilities and accountabilities of the Board as provided under the law, the company's articles and by-laws, and other legal pronouncements and guidelines should be clearly made known to all directors as well as to stockholders and other stakeholders.			
Recommendation 2.1			
1. Directors act on a fully informed basis, in good faith, with due diligence and care, and in the best interest of the company.	Compliant	<p><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></p> <p>Revised Manual on Corporate Governance, pp. 8-10</p>	

		<p>https://www.loto.com.ph/sites/default/files/2022%20Revised%20Manual%20CG.pdf</p> <p>The Board in 2022 has approved the annual and quarterly financial reports, met about organizational matters right after the May 27 Annual Stockholders' Meetings, deliberated upon business updates, among others. Kindly refer to the summary of activities shown below.</p> <p>Summary of 2022 Board and Committee Meetings https://www.loto.com.ph/sites/default/files/Summary%20of%20BOD%20and%20COM%20mtgs%202022.pdf</p>	
Recommendation 2.2			
1. Board oversees the development, review and approval of the company's business objectives and strategy.	Compliant	<i>Provide information or link/reference to a document containing information on how the directors performed this function (can include board resolutions, minutes of meeting).</i>	
2. Board oversees and monitors the implementation of the company's business objectives and strategy.	Compliant	<p>The Board of Directors leads the overall company's business direction by developing strategy and identifying targets for the coming years. The CEO's role is to ensure the delivery of these targets within the general business environment, with quarterly business reviews with the Management Team as well as the Board. The Management Team then cascades the objectives and deliverables to the employees, for timely and appropriate</p>	

	<p>implementation, evaluation and corrective courses of action, if required.</p> <p>2022 Summary of Board and Committee Activities https://www.loto.com.ph/sites/default/files/Summary%20of%20BOD%20and%20COM%20mtgs%202022.pdf</p> <p>Revised Manual on Corporate Governance, p.8-10 https://www.loto.com.ph/sites/default/files/2022%20Revised%20Manual%20CG.pdf</p> <p><i>Indicate frequency of review of business objectives and strategy</i></p> <p>Business objectives and strategies are reviewed and deliberated on an annual basis, and on a per need requirement. Management Committee Meetings are also held at least twice a month to discuss trends and updates to help formulate business plans and initiatives for presentation to the Board.</p> <p>2022 Summary of Board and Committee Activities https://www.loto.com.ph/sites/default/files/Summary%20of%20BOD%20and%20COM%20mtgs%202022.pdf</p> <p>Quarterly Operations Review https://www.loto.com.ph/investor-relations/disclosures/financial-reports</p>	
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Supplement to Recommendation 2.2

<p>1. Board has a clearly defined and updated vision, mission and core values.</p>	<p>Compliant</p>	<p><i>Indicate or provide link/reference to a document containing the company's vision, mission and core values.</i></p> <p>https://www.loto.com.ph/our-company/mission-vision-core-values</p> <p><i>Indicate frequency of review of the vision, mission, and core values.</i></p> <p>Annual review done by the Board.</p>	
<p>2. Board has a strategy execution process that facilitates effective management performance and is attuned to the company's business environment, and culture.</p>	<p>Compliant</p>	<p><i>Provide information on or link/reference to a document containing information on the strategy execution process.</i></p> <p>The Board of Directors leads the overall company's business direction by developing strategy and identifying targets for the coming years. The CEO's role is to ensure the delivery of these targets within the general business environment, with quarterly business reviews with the Management Team as well as the Board. The Management Team then cascades the objectives and deliverables to the employees, for timely and appropriate implementation, evaluation and corrective courses of action, if required.</p> <p>Revised Manual on Corporate Governance https://www.loto.com.ph/sites/default/files/2022%20Revised%20Manual%20C.G.pdf</p>	

		<p>2022 Summary of Board and Committee Activities https://www.loto.com.ph/sites/default/files/Summary%20of%20BOD%20and%20COM%20mtgs%202022.pdf</p>	
Recommendation 2.3			
<p>1. Board is headed by a competent and qualified Chairperson.</p>	<p>Compliant</p>	<p><i>Provide information or reference to a document containing information of the Chairperson, including his/her name and qualifications.</i></p> <p>Mr. Willy N. Ocier is the Chairman of the Board. He was elected as a member of the Board on May 27, 2022, and appointed during the Board Organizational Meeting held on the same day.</p> <p>Willy N. Ocier, Filipino, 66, is the Chairman and Director of the Company since July 29, 1999. He served as the Company's President until October 2021. He is an Executive Director and Chairman of Belle Corporation. He is also the Chairman and Director of Premium Leisure Corp. APC Group, Inc., Total Gaming and Technologies, Inc. and Premium Leisure and Amusement, Inc. and Vice Chairman of Highlands Prime, Inc. He is the Chairman and Director of Tagaytay Midlands Golf Club, Inc., and one of the Directors of The Country Club at the Tagaytay Highlands, Inc. Mr. Ocier is also the Chairman,</p>	

	<p>President, and Chief Executive Officer of Philippine Global Communications, Inc., He is a Director of Leisure and Resorts World Corporation. He also sits as a Director to the following unaffiliated corporations, IVantage Equities, Philequity Management, Inc., Abacore Capital Holdings, Inc. and Toyota Corporation Batangas. He was formerly President and Chief Operating Officer of Eastern Securities Development Corporation.</p> <p>Mr. Ocier graduated from Ateneo de Manila University with a Bachelor of Arts degree in Economics. In recognition of Mr. Ocier's corporate leadership and role in providing employment opportunities to Filipinos, the University of Batangas conferred him a degree in Doctor of Humanities, honoris causa.</p> <p>https://www.loto.com.ph/our-company/leadership</p> <p>SEC Form 17A (Annual Report) 2022, p. 19-20 https://www.loto.com.ph/sites/default/files/POSC%20ANNUAL%20REPORT%202022_0.pdf</p> <p>DIS for 2023 ASM, p. 6 https://www.loto.com.ph/sites/default/files/FINAL%20POSC_2023%20ASM_Definitive%20DIS_04262023%20and%20attachments%2026apr23_Redacted.pdf</p>	
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Recommendation 2.4			
1. Board ensures and adopts an effective succession planning program for directors, key officers and management.	Compliant	<i>Disclose and provide information or link/reference to a document containing information on the company's succession planning policies and programs and its implementation.</i>	
2. Board adopts a policy on the retirement for directors and key officers.	Compliant	<p>Revised Manual on Corporate Governance https://www.loto.com.ph/sites/default/files/2022%20Revised%20Manual%20C.G.pdf</p> <p>A fundamental responsibility of the Board of Directors is to ensure that effective processes are in place to provide continuity of Board and executive leadership. The Board ensures that such leadership possesses sufficient depth, talent and conviction for effective Board oversight and execution of long-term strategies, consistent with the Company's vision and mission statements. Hence, a process for identifying and assessing potential internal candidates, periodic review and assessment of readiness,</p>	

		<p>contingency planning for temporary absences of the key positions due to disability or any other unexpected event, should be in place.</p> <p>The Board will review and assess said processes on an annual basis. A succession planning process shall be established to include:</p> <ul style="list-style-type: none"> a) Identification of critical positions; b) Identifying potential successors, and behavior; c) Readiness of successors; d) Possession of necessary knowledge, skills; and e) Tracking the progress. <p>The Board of Directors has adopted a policy with respect to the retirement of directors and key officers at age 80.</p> <p>In the adoption of a policy on retirement of directors and key officers, however, the Board of Directors, through the Corporate Governance Committee, will still be mindful that long-term experience is still a critical asset for persons engaged in the gaming industry and this will still be considered in the determination of directors and/or officers due to be made subject of mandatory retirement.</p>	
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Recommendation 2.5

1. Board aligns the remuneration of key officers and board members with long-term interests of the company.	Compliant	<i>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.</i>	
2. Board adopts a policy specifying the relationship between remuneration and performance.	Compliant	Revised Manual on Corporate Governance	
3. Directors do not participate in discussions or deliberations involving his/her own remuneration.	Compliant	<p>https://www.loto.com.ph/sites/default/files/2022%20Revised%20Manual%20CG.pdf</p> <p>The Corporate Governance Committee which has oversight on the Remuneration function conducts a yearly review of the Company's remuneration policy which aligns the remuneration with the performance of its key officers and board members.</p> <p>Page 18 (Manual on CG) 2.16 COMPENSATION OF DIRECTORS</p> <p>Directors shall not receive any compensation unless approved by the stockholders or provided in the Corporation's By-Laws. No director shall participate in the approval of his compensation. However, the Board may, from time to time, approve a reasonable per diem that a director may receive for attendance in Board and Board Committee meetings.</p> <p>Conflict of Interest Policy https://www.loto.com.ph/sites/default/files/POLICY%20ON%20CONFLICT%20OF%20INTEREST_1.pdf</p>	

		<p>The Board of Directors values management team and employees and recognizes the need of commensurate pay with corporate and individual performance. In order to deliver its long-term vision and mission, the Board of Directors espouses meritocracy and integrity within and loyalty to the organization. In terms of compensating key officers, all discussions are maintained in strictest confidence.</p> <p>The Directors are prohibited from deciding their own remuneration.</p>	
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Optional: Recommendation 2.5

<p>1. Board approves the remuneration of senior executives.</p>	<p>Compliant</p>	<p><i>Provide proof of board approval.</i></p> <p>The Board through the Compensation and Remuneration Committee is tasked to decide, determine and approve matters relating to the compensation and benefits of the Company's officers and directors, and to provide communications with the Board and, as appropriate, communications with the shareholders and regulators.</p> <p>https://www.loto.com.ph/sites/default/files/2022-02-09%20Corporate%20Governance%20Charter_0.pdf</p> <p>During the May 2022 Annual Stockholders' Meeting, the stockholders' ratified all acts of the</p>	
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		Board and Committees, which included remuneration of senior executives.	
2. Company has measurable standards to align the performance-based remuneration of the executive directors and senior executives with long-term interest, such as claw back provision and deferred bonuses.	Not Compliant	<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>	
Recommendation 2.6			
1. Board has a formal and transparent board nomination and election policy.	Compliant	<i>Provide information or reference to a document containing information on the company's nomination and election policy and process and its implementation, including the criteria used in selecting new directors, how the shortlisted candidates and how it encourages nominations from shareholders.</i>	
2. Board nomination and election policy is disclosed in the company's Manual on Corporate Governance.	Compliant		
3. Board nomination and election policy includes how the company accepted nominations from minority shareholders.	Compliant	Revised Manual on Corporate Governance, p. 12,13, 20-23 https://www.loto.com.ph/sites/default/files/2022%20Revised%20Manual%20CG.pdf	
4. Board nomination and election policy includes how the board shortlists candidates.	Complaint	<i>Provide proof if minority shareholders have a right to nominate candidates to the board.</i>	
5. Board nomination and election policy includes an assessment of the effectiveness of the Board's processes in	Compliant	As stated in the Company's Manual on Corporate Governance and By-Laws, which are published in the company's website, minority shareholders may nominate candidates to the Board.	

<p>the nomination, election or replacement of a director.</p>		<p>Shareholders of record may submit their nominees in writing no later than January 30 of each year. These shall also bear the nominees' formal acceptance. This will allow the Corporate Governance Committee to assess and evaluate the nominees, who must possess the qualifications and none of the disqualifications of Directors as stated in the Company's By-Laws.</p>	
<p>6. Board has a process for identifying the quality of directors that is aligned with the strategic direction of the company.</p>	<p>Compliant</p>	<p>Further, after the nomination, the CG Committee shall prepare a List of Candidates which shall contain all the information about the nominees for election as members of the Board of Directors, which list shall be made available to the SEC and to all stockholders through the filing and distribution of the Information Statement or Proxy Statement, or in such other reports as the Corporation will be required to submit to the SEC.</p> <p>The name of the person or group of persons who recommended the nomination of the independent director(s) shall be identified in such report including any relationship with the nominee.</p> <p>Only nominees whose names appear in the List of Candidates shall be eligible for election as directors. No other nominations for election as director shall be entertained after the List of Candidates have been prepares and finalized.</p>	

		<p>No further nominations for election as director shall be entertained or allowed on the floor during the annual stockholders' meeting.</p> <p>Based on the Final List of Candidates, directors are elected individually. Each shareholder may vote such number of shares for as many persons he may choose to be elected from the Final List, or he may cumulate said shares and give one candidate as many votes as the number of his shares multiplied by the number of his shares shall equal, or he may distribute them on the same principle among as many candidates as he shall see fit, provided that the total number of votes cast by him shall not exceed the number of shares owned by him multiplies by the number of directors to be elected.</p> <p>Revised Manual of Corporate Governance, p. 12,13, 20-22 https://www.loto.com.ph/sites/default/files/2022%20Revised%20Manual%20CG.pdf</p> <p><i>Provide information if there was an assessment of the effectiveness of the Board's processes in the nomination, election, or replacement of a director.</i></p> <p>Revised Manual on Corporate Governance, p. 21 https://www.loto.com.ph/sites/default/</p>	
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		files/2022%20Revised%20Manual%20C.G.pdf The Company may engage the services of a third-party company for recommendations of new board directors, from whom the Corporate Governance Committee derives its list of candidates to be recommended to the Board which decides on the final nominee/s for the Board of Directors.	
Optional: Recommendation to 2.6			
1. Company uses professional search firms or other external sources of candidates (such as director databases set up by director or shareholder bodies) when searching for candidates to the board of directors.	Compliant	<i>Identify the professional search firm used or other external sources of candidates.</i> For the year, the Company requested recommendation/list from GGAPP. Revised Manual on Corporate Governance, p. 21 https://www.loto.com.ph/sites/default/files/2022%20Revised%20Manual%20C.G.pdf	
Recommendation 2.7			
1. Board has overall responsibility in ensuring that there is a group-wide policy and system governing related party transactions (RPTs) and other unusual or infrequently occurring transactions.	Compliant	<i>Provide information on or reference to a document containing the company's policy on related party transactions, including policy on review and approval of significant RPTs.</i>	
2. RPT policy includes appropriate review and approval of material RPTs, which guarantee fairness and transparency of the transactions.	Compliant	Revised Manual on Corporate Governance, p. 29-31 https://www.loto.com.ph/sites/default/	

<p>3. RPT policy encompasses all entities within the group, taking into account their size, structure, risk profile and complexity of operations.</p>	<p>Compliant</p>	<p>files/2022%20Revised%20Manual%20C G.pdf</p> <p><i>Identify transactions that were approved pursuant to the policy.</i></p> <p>SEC Form 17A for 2022, Audited Financial Statements – Related Party Transactions, Item 16, p. 190 of pdf https://www.loto.com.ph/sites/default/files/POSC%20ANNUAL%20REPORT%202022_0.pdf</p>	
Supplement to Recommendations 2.7			
<p>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.</p>	<p>Compliant</p>	<p><i>Provide information on a materiality threshold for RPT disclosure and approval, if any. Provide information on RPT categories.</i></p> <p>In accordance with SEC Memo Circular No. 10, series of 2019 on material related party transactions policy for publicly listed companies, the Board approved in October 2019 and submitted its Material Related Party Transactions Policy to the SEC and posted the same on its website.</p> <p>Material Related Party Transactions Policy https://www.loto.com.ph/sites/default/files/Related%20Party%20Transactions%20Policy_0.pdf</p> <p>An advisement report on material RPTs amounting to 10% or higher of Pacific Online's total assets shall be filed within</p>	

		<p>three calendar days after execution of the transaction. The advisement report shall be signed by Pacific Online's Corporate Secretary or authorized representative.</p>	
<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.</p>	<p>Compliant</p>	<p><i>Provide information on voting system, if any.</i></p> <p>The Board of Directors reviews and approves all material RPTs endorsed by the Related Party Transactions Committee. All Board-approved material RPTs may be subject to ratification by a vote of the majority and minority shareholders during shareholders' meetings.</p> <p>Revised Manual on Corporate Governance, p. 29-31 https://www.loto.com.ph/sites/default/files/2022%20Revised%20Manual%20C.G.pdf</p> <p>The agenda items included in the Notice to the May 27, 2022 Annual Stockholders' Meeting were for the stockholders' approval. During the Company's May 27, 2022 Annual Stockholders' Meeting, the Board of Directors presented to the stockholders the acts of the Board, Board Committees, and Management for the stockholders' confirmation, ratification and approval. These included among others the related party transactions entered into by the Company from May 28, 2021 to May 27, 2022.</p>	

Recommendation 2.8			
<p>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).</p>	<p>Compliant</p>	<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>Board Charter, Item VI,k, p. 5 https://www.loto.com.ph/sites/default/files/Charter%20of%20the%20BOD.pdf</p> <p>Revised Manual on Corporate Governance https://www.loto.com.ph/sites/default/files/2022%20Revised%20Manual%20C.G.pdf</p> <p><i>Identify the Management Team appointed.</i></p> <p>Chief Executive Officer – Jackson T. Ongsip</p> <p>Results of May 2022 Organizational Meeting https://www.loto.com.ph/sites/default/files/5.27.22%20Results%20of%20Organizational%20Meeting%20of%20Board%20of%20Directors%202.pdf</p> <p>Internal Auditor – Anna Josefina G. Esteban</p> <p>Risk Officer – Mischel Gabrielle O. Mendoza</p>	

		<p>Compliance Officer – Grace L. Gatdula replaced by Michelle T. Hernandez on September 13, 2022</p> <p>Data Protection Officer – Ma. Meliza C. Romiilo replaced by Grace L. Gatdula on September 13, 2022</p> <p>Results of the 2022 ASM https://www.loto.com.ph/sites/default/files/9.15.22%20%5BAmend-1%5DChange%20in%20Directors%20and_or%20Officers%20%28Resignation%2C%20Removal%20or%20Appointment%2C%20Election%20and_or%20Promotion%29%202.pdf</p> <p>Results of the September 2022 Board Meeting, Changes in Directors/Officers https://www.loto.com.ph/sites/default/files/9.15.22%20%5BAmend-1%5DChange%20in%20Directors%20and_or%20Officers%20%28Resignation%2C%20Removal%20or%20Appointment%2C%20Election%20and_or%20Promotion%29%202.pdf</p>	
<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).</p>	<p>Compliant</p>	<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>Revised Manual on Corporate Governance, Item 2.4.1.h, p. 9</p>	

		<p>https://www.loto.com.ph/sites/default/files/2022%20Revised%20Manual%20CG.pdf</p> <p>https://www.loto.com.ph/corporate-governance/governance-pacific-online-0</p> <p>Summary of 2021 Board Assessment https://loto.com.ph/sites/default/files/Board%20of%20Directors%20Evaluation%202021%20%28Summary%29.pdf</p> <p>BOD Assessment Form for 2022 https://www.loto.com.ph/sites/default/files/LOTO%20Board%20Eval%20Form%202022.pdf</p> <p><i>Provide information on the assessment process and indicate frequency of assessment of performance.</i></p> <p>Assessment is done annually. The assessment for the 2021 performance was performed in December 2021, while the 2022 performance was assessed within the first quarter of 2023.</p>	
Recommendation 2.9			
1. Board establishes an effective performance management framework that ensures that Management's performance is at par with the standards set by the Board and Senior Management.	Compliant	<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>BOD Charter</p>	
2. Board establishes an effective performance management framework	Compliant		

<p>that ensures that personnel's performance is at par with the standards set by the Board and Senior Management.</p>		<p>https://www.loto.com.ph/sites/default/files/Charter%20of%20the%20BOD.pdf</p> <p>e. Monitor compliance with policies, and achievement against objectives, by holding management accountable for its activity through the measurement and control of operations by regular reports to the Board, including monthly performance reporting and budget updates. The Board shall establish an effective performance management framework that will ensure that the performance of Management and personnel is at par with the standards set by the Board and senior management.</p>	
Recommendation 2.10			
<p>1. Board oversees that an appropriate internal control system is in place.</p>	<p>Compliant</p>	<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>2. The internal control system includes a mechanism for monitoring and managing potential conflict of interest of the Management, members and shareholders.</p>	<p>Compliant</p>	<p>Board Charter https://www.loto.com.ph/sites/default/files/Charter%20of%20the%20BOD.pdf</p> <p>Audit Committee – Internal Audit Charter</p>	

		https://www.loto.com.ph/sites/default/files/2022-02-09%20Internal%20Audit%20Charter_0.pdf	
3. Board approves the Internal Audit Charter.	Compliant	<p><i>Provide reference or link to the Company's Internal Audit Charter</i></p> <p>The Board of Directors annually reviews and approves the Audit Committee Charter as well as the Internal Audit Committee Charter.</p> <p>https://www.loto.com.ph/sites/default/files/2022-02-09%20Internal%20Audit%20Charter_0.pdf</p> <p>The Internal Audit Charter was approved by the Audit Committee on February 9, 2022, and ratified by the Board on February 10, 2022.</p> <p>Summary of 2022 Board and Committee Activities https://www.loto.com.ph/sites/default/files/Summary%20of%20BOD%20and%20COM%20mtgs%202022.pdf</p>	
Recommendation 2.11			
1. Board oversees that the company has in place a sound enterprise risk management (ERM) framework to effectively identify, monitor, assess and manage key business risks.	Compliant	<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>	
2. The risk management framework guides the board in identifying units/business lines and enterprise-level risk exposures, as well as the effectiveness of risk management strategies.	Compliant		

	<p>https://www.loto.com.ph/corporate-governance/enterprise-risk-management</p> <p>Board Charter, Item VI.d., p. 13-14 https://www.loto.com.ph/sites/default/files/Charter%20of%20the%20BOD.pdf</p> <p>Risk Oversight Committee Charter https://www.loto.com.ph/sites/default/files/2022-02-09%20Board%20Risk%20Oversight%20Committee%20Charter_0.pdf</p> <p><i>Provide proof of effectiveness of risk management strategies, if any.</i></p> <p>The Enterprise Risk Management (ERM) matrices are prepared annually by the respective Business Units process of which includes identification, rationalization and assessment/prioritizing of risks. Development and implementation of risk management strategies then follow which involve avoidance, reduction, transfer or acceptance.</p> <p>Thereafter, these are presented to the Management Committee for discussion. The ERM matrices are then presented to the Risk Oversight Committee to ensure the integrity and quality of the Company's risk management system.</p> <p>The matrices used by the Company include the risks' descriptions and</p>	
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		<p>information on how they are mitigated. They are also categorized based on "Impact" and "Likelihood of Occurrence." Effectiveness of the strategies employed to manage the risk may be determined if the risk items from the previous year are considered "closed" or "moved to issue" or "open" with provisions on how they may be mitigated.</p> <p>These risk matrices are updated and discussed annually with the Risk Oversight Committee discussed them in November 2022.</p>	
Recommendation 2.12			
1. Board has a Board Charter that formalizes and clearly states its roles, responsibilities and accountabilities in carrying out its fiduciary role.	Compliant	<p><i>Provide link to the company's website where the Board Charter is disclosed.</i></p> <p>Board Charter https://www.loto.com.ph/sites/default/files/Charter%20of%20the%20BOD.pdf</p>	
2. Board Charter serves as a guide to the directors in the performance of their functions.	Compliant		
3. Board Charter is publicly available and posted on the company's website.	Compliant		
Additional Recommendation to Principle 2			
1. Board has a clear insider trading policy.	Compliant	<p><i>Provide information on or link/reference to a document showing company's insider trading policy.</i></p> <p>Insider Trading Policy</p>	

		https://www.loto.com.ph/sites/default/files/INSIDER%20TRADING%20POLICY_0.pdf	
Optional: Principle 2			
1. Company has a policy on granting loans to directors, either forbidding the practice or ensuring that the transaction is conducted at arm's length basis and at market rates.	Compliant	<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>Conflict of Interest Policy https://www.loto.com.ph/sites/default/files/POLICY%20ON%20CONFLICT%20OF%20INTEREST_1.pdf</p> <p>https://www.loto.com.ph/sites/default/files/2019%20CODE%20OF%20BUSINESS%20CONDUCT%20AND%20ETHICS_0.PDF</p> <p>"The Company expects directors, as well as officers and employees, to act ethically at all times and to acknowledge their adherence to the policies comprising the Company's code of conduct set forth in the Company's Code of Ethics. The Company will not make any personal loans or extensions of credit to directors or executive officers. The Company will not permit any waiver of any ethics policy for any director or executive officer. If an actual or potential conflict of interest arises for a director or officer, the director or officer shall promptly inform the CEO and the presiding director. If a significant conflict exists</p>	

		and cannot be resolved, the director or officer should resign."	
2. Company discloses the types of decision requiring board of directors' approval.	Compliant	<p><i>Indicate the two types of decision requiring board of directors' approval and where they are disclosed</i></p> <p>Revised Manual of Corporate Governance https://www.loto.com.ph/sites/default/files/2022%20Revised%20Manual%20C.G.pdf</p> <p>The Board approves the Company's annual and quarterly financials, business strategies and plans.</p> <p>https://www.loto.com.ph/investor-relations/disclosures/financial-reports</p> <p>Summary of Board and Committee Activities in 2022 https://www.loto.com.ph/sites/default/files/Summary%20of%20BOD%20and%20COM%20mtgs%202022.pdf</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.

Recommendation 3.1

1. Board establishes board committees that focus on specific board functions to aid in the optimal performance of its roles and responsibilities.	Compliant	<i>Provide information or link/reference to a document containing information on all the board committees established by the company.</i>	
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		<p>SEC Form 17 A (Annual Report) for 2022, p. 29 https://www.loto.com.ph/sites/default/files/POSC%20ANNUAL%20REPORT%202022_0.pdf</p> <p>Revised Manual on Corporate Governance, p. 18-31 https://www.loto.com.ph/sites/default/files/2022%20Revised%20Manual%20C.G.pdf</p> <p>https://www.loto.com.ph/corporate-governance/governance-pacific-online-0</p>	
Recommendation 3.2			
<p>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.</p>	<p>Compliant</p>	<p><i>Provide information or link/reference to a document containing information on the Audit Committee, including its functions.</i></p> <p>Audit Committee Charter https://www.loto.com.ph/sites/default/files/2022-02-09%20Audit%20Committee%20Charter_0.pdf</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>It is the Audit Committee's responsibility to recommend the appointment and the removal of the Company's External Auditor. <i>Indicate if it is the Audit Committee's responsibility to recommend the</i></p>	

		<p>appointment and removal of the company's external auditor.</p> <p>Revised Manual on Corporate Governance https://www.loto.com.ph/sites/default/files/2022%20Revised%20Manual%20C.G.pdf</p> <p>"The Audit Committee shall recommend the appointment, reappointment, removal, and fees of the external auditor for the approval of the Board and ratification of the shareholders. When there is a change or removal of the external auditor, the reason therefor shall be disclosed to the proper regulatory authorities and the public through the proper disclosures and the company website."</p>	
<p>2. Audit Committee is composed of at least three appropriately qualified non-executive directors, the majority of whom, including the Chairman is independent.</p>	<p>Compliant</p>	<p><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></p> <p>Laurito E. Serrano, Chairman Mr. Serrano, Filipino, 62, is a Director of the Company since May 23, 2014, and is currently the Lead Independent Director. Mr. Serrano concurrently serves as Independent Director of Rizal Commercial Banking Corporation, 2GO Group Inc., Axelum Resources Corp., and Anglo-Philippine Holdings, Inc. He is also a director in privately-held MRT Development Corporation. As</p>	

independent director in listed entities, Mr. Serrano serves as chairman or member of such companies' audit, compliance, and risk committees. Mr. Serrano is a former partner of the Corporate Finance Consulting Group of SGV & Co. He is a Philippine Certified Public Accountant and has a Master's degree in Business Administration from the Harvard Graduate School of Business. His area of specialization is Financial Advisory and Corporate Finance in a broad range of clients and industry sectors.

Roberto V. Antonio, member

Mr. Antonio, Filipino, 60, is an Independent Director of the Company since September 2022. He is also an independent Director of Premium Leisure Corp., the Development Bank of the Philippines and is connected in different capacities with the following private entities: President of Kalimera, Inc., RVA & Sons, Inc., and RVA International Trading Corporation; Chairman of RVA Hatch, Inc.; Vice Chairman of Right Eight Security Agency, Inc.; Consultant of Mustang Holdings, Inc.; as well as former President of the La Salle Greenhills Foundation and former Board Member of the La Salle Greenhills Alumni. Mr. Antonio served as one of the Department of Tourism's Undersecretaries from 1998-2000 and Senior Consultant from 2004-2010. He graduated from De La Salle University

with a degree in Economics major in Marketing Management in 1984. Candidate of Juris Doctor at the Ateneo De Manila University Law School in 1989. He finished his Master's in Business Economics at the University of Asia and the Pacific in 1997.

Tarcisio M. Medalla, member

Mr. Medalla, Filipino, 74, is a Director of the company since December 10, 2001. He is currently the Chairman and President of listed firm Paxys, Inc. He is also a Director of All Asia Customer Services Holdings Ltd., the principal shareholder of Paxys, Inc. He graduated with a Bachelor of Science degree in Commerce (Major in Accounting) from De La Salle University. He attended the Advanced Management Program (AMP) at Harvard Business School. He is a Certified Public Accountant.

Atty. Ma. Gracia M. Pulido Tan, member

Atty. Tan, Filipino, 67, is an Independent Director of the Company since May 28, 2021. She is likewise an independent director of Belle Corporation and Premium Leisure Corp. She is the former Chairperson of the Commission on Audit, Undersecretary of Finance and Commissioner of the Presidential Commission on Good Government. She is a director of several Philippine corporations, a tax consultant and legal adviser of some private clients, and an accredited Arbitrator of the

		<p>Construction Industry Arbitration Commission, Philippines and Philippine Dispute Resolution Center, Inc, Philippines. Atty. Tan served as Chairman of the United Nations Independent Audit Advisory Committee, the first Filipino to have been elected to this 5-member Committee. She is also a member of the Tax Faculty of the Philippine Judicial Academy, and a professor at the University of the Philippines for Mandatory Continuing Legal Education. Backed by four decades of professional work in the Philippines and abroad as a private law and counting practitioner, government official, arbitrator and international consultant, she is an expert in the fields of law, finance, audit, governance, dispute resolution and administration. She graduated from the University of the Philippines in 1977 with a degree in Bachelor of Science in Business Administration and Accountancy and in 1981 with Bachelor of Laws. In 1987, she obtained her Master of Laws (Tax) from the New York University. She is a lawyer and a Certified Public Accountant.</p> <p>https://www.loto.com.ph/corporate-governance/governance-pacific-online-0</p> <p>https://www.loto.com.ph/our-company/leadership</p>	
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		<p>DIS for 2022 ASM, p. 44 https://www.loto.com.ph/sites/default/files/4.27.22%20Information%20Statement%202.pdf</p> <p>DIS for 2023 ASM, p. 44 https://www.loto.com.ph/sites/default/files/FINAL%20POSC_2023%20ASM_Definitive%2020IS_04262023%20and%20attachments%2026apr23_Redacted.pdf</p> <p>Results of the 2022 Organizational Meeting https://www.loto.com.ph/sites/default/files/5.27.22%20Results%20of%20Organizational%20Meeting%20of%20Board%20of%20Directors%201.pdf</p> <p>Results of the 2021 Organizational Meeting https://loto.com.ph/sites/default/files/Results%20of%20Organizational%20Meeting%20of%20Board%20of%20Directors_4.pdf</p>	
<p>3. All the members of the committee have relevant background, knowledge, skills, and/or experience in the areas of accounting, auditing and finance.</p>	<p>Compliant</p>	<p><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></p> <p>Board of Directors https://www.loto.com.ph/our-company/leadership</p> <p>SEC Form 17A (Annual Report) for 2022, p. 20-21</p>	

		<p>https://www.loto.com.ph/sites/default/files/POSC%20ANNUAL%20REPORT%202022_0.pdf</p> <p>DIS for 2023 ASM, pp. 13-15 of pdf https://www.loto.com.ph/sites/default/files/FINAL%20POSC_2023%20ASM_Definitive%2020IS_04262023%20and%20attachments%2026apr23_Redacted.pdf</p> <p>Board Diversity Skill Set https://www.loto.com.ph/sites/default/files/POSC%20Board%20Diversity%202022%204.20.23.pdf</p>	
<p>4. The Chairman of the Audit Committee is not the Chairman of the Board or of any other committee.</p>	<p>Compliant</p>	<p><i>Provide information or link/reference to a document containing information on the Chairman of the Audit Committee.</i></p> <p>https://www.loto.com.ph/our-company/leadership</p> <p>https://www.loto.com.ph/corporate-governance/governance-pacific-online-0</p> <p>Audit Committee Chairman: Mr. Laurito E. Serrano – Lead Independent Director</p> <p>Laurito E. Serrano, Filipino, 62, is a Director of the Company since May 23, 2014, and is currently the Lead Independent Director. Mr. Serrano concurrently serves as Independent Director of Rizal Commercial Banking Corporation, 2GO Group Inc., Axelum Resources Corp., and Anglo-Philippine</p>	

		<p>Holdings, Inc. He is also a director in privately-held MRT Development Corporation. As independent director in listed entities, Mr. Serrano serves as chairman or member of such companies' audit, compliance, and risk committees. Mr. Serrano is a former partner of the Corporate Finance Consulting Group of SGV & Co.</p> <p>He is a Philippine Certified Public Accountant and has a Master's degree in Business Administration from the Harvard Graduate School of Business. His area of specialization is Financial Advisory and Corporate Finance in a broad range of clients and industry sectors.</p> <p>Mr. Serrano is not a chairperson of any other Board Committee, nor the Chairman of the Board.</p> <p>DIS for 2023 ASM, p. 12 of pdf https://www.loto.com.ph/sites/default/files/FINAL%20POSC_2023%20ASM_Definitive%20DIS_04262023%20and%20attachments%2026apr23_Redacted.pdf</p>	
Supplement to Recommendation 3.2			
<p>1. Audit Committee approves all non-audit services conducted by the external auditor.</p>	<p>Compliant</p>	<p><i>Provide proof that the Audit Committee approved all non-audit services conducted by the external auditor.</i></p> <p>https://www.loto.com.ph/sites/default/files/2022-02-</p>	

		<p>09%20Audit%20Committee%20Charter_0.pdf</p> <p>The External Auditor, Reyes & Tacandong & Co., did not perform non-audit services in 2021 and 2022.</p> <p>SEC Form 17A for 2022, p.17-18 https://www.loto.com.ph/sites/default/files/POSC%20ANNUAL%20REPORT%202022_0.pdf</p>	
<p>2. Audit Committee conducts regular meetings and dialogues with the external audit team without anyone from management present.</p>	<p>Compliant</p>	<p><i>Provide proof that the Audit Committee conducted regular meetings and dialogues with the external audit team without anyone from management present.</i></p> <p>The Audit Committee met six (6) times in 2022. A meeting among non-Executive Directors was conducted in February 2022 and February 2023 with the External Auditor without the presence of Management.</p> <p>The annual Audit Planning Meeting was held on September 28, 2022 with the Audit Committee and External Auditor.</p> <p>2022 Summary of Board and Committee Meetings https://www.loto.com.ph/sites/default/files/Summary%20of%20BOD%20and%20COM%20mtgs%202022.pdf</p>	
<p>Optional: Recommendation 3.2</p>			

<p>1. Audit Committee meet at least four times during the year.</p>	<p>Compliant</p>	<p><i>Indicate the number of Audit Committee meetings during the year and provide proof.</i></p> <p>https://www.loto.com.ph/sites/default/files/Audit%20Committee%20Meeting%202022.pdf</p> <p>SEC Form 17A (Annual Report) 2022 https://www.loto.com.ph/sites/default/files/POSC%20ANNUAL%20REPORT%202022_0.pdf</p> <p>2022 Summary of Board and Committee Meetings https://www.loto.com.ph/sites/default/files/Summary%20of%20BOD%20and%20COM%20mtgs%202022.pdf</p> <p>Audit Committee had 6 meetings for 2022.</p>	
<p>2. Audit Committee approves the appointment and removal of the internal auditor.</p>	<p>Compliant</p>	<p><i>Provide proof that the Audit Committee approved the appointment and removal of the internal auditor.</i></p> <p>It is the Audit Committee's responsibility to recommend the appointment and removal of the company's internal auditor.</p> <p>Audit Committee Charter, Item IV.g, p.3 https://www.loto.com.ph/sites/default/files/2022-02-09%20Audit%20Committee%20Charter_0.pdf</p>	

		<p>During the May 27, 2022 Organizational Meeting, Ms. Anna Josefina G. Esteban was re-appointed as the Company's Chief Audit Executive for 2022-2023.</p> <p>Results of the 2022 Organizational Meeting https://www.loto.com.ph/sites/default/files/5.27.22%20Results%20of%20Organizational%20Meeting%20of%20Board%20of%20Directors%202.pdf</p>	
Recommendation 3.3			
<p>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.</p>	<p>Compliant</p>	<p><i>Provide information or reference to a document containing information on the Corporate Governance Committee, including its functions.</i></p> <p>Corporate Governance Charter https://www.loto.com.ph/sites/default/files/2022-02-09%20Corporate%20Governance%20Charter_0.pdf</p> <p>https://www.loto.com.ph/corporate-governance/governance-pacific-online-0</p> <p><i>Indicate if the Committee undertook the process of identifying the quality of directors aligned with the company's strategic direction, if applicable.</i></p> <p>The Committee undertook the process of identifying the quality of directors aligned with the company's strategic direction on February 9, 2022 and</p>	

		<p>presented to the Board the final list of nominees for election on February 10, 2022 for election for 2022-2023.</p> <p>Corporate Governance Charter https://www.loto.com.ph/sites/default/files/2022-02-09%20Corporate%20Governance%20Charter_0.pdf</p> <p>Revised Manual on Corporate Governance, p. 19-25 https://www.loto.com.ph/sites/default/files/2022%20Revised%20Manual%20G.pdf</p> <p>Summary of Board and Committee Activities in 2022 https://www.loto.com.ph/sites/default/files/Summary%20of%20BOD%20and%20COM%20mtgs%202022.pdf</p>	
<p>2. Corporate Governance Committee is composed of at least three members, all of whom should be independent directors.</p>	<p>Compliant</p>	<p>https://www.loto.com.ph/corporate-governance/governance-pacific-online-0</p> <p>Roberto V. Antonio, Chairman Mr. Antonio, Filipino, 60, is an Independent Director of the Company since September 2022. He is also an independent Director of Premium Leisure Corp., the Development Bank of the Philippines and is connected in different capacities with the following private entities: President of Kalimera, Inc., RVA & Sons, Inc., and RVA International Trading Corporation; Chairman of RVA Hatch, Inc.; Vice Chairman of Right Eight Security</p>	

Agency, Inc.; Consultant of Mustang Holdings, Inc.; as well as former President of the La Salle Greenhills Foundation and former Board Member of the La Salle Greenhills Alumni. Mr. Antonio served as one of the Department of Tourism's Undersecretaries from 1998-2000 and Senior Consultant from 2004-2010. He graduated from De La Salle University with a degree in Economics major in Marketing Management in 1984. Candidate of Juris Doctor at the Ateneo De Manila University Law School in 1989. He finished his Master's in Business Economics at the University of Asia and the Pacific in 1997.

Laurito E. Serrano, member

Mr. Serrano, Filipino, 62, is a Director of the Company since May 23, 2014, and is currently the Lead Independent Director. Mr. Serrano concurrently serves as Independent Director of Rizal Commercial Banking Corporation, 2GO Group Inc., Axelum Resources Corp., and Anglo-Philippine Holdings, Inc. He is also a director in privately-held MRT Development Corporation. As independent director in listed entities, Mr. Serrano serves as chairman or member of such companies' audit, compliance, and risk committees. Mr. Serrano is a former partner of the Corporate Finance Consulting Group of SGV & Co. He is a Philippine Certified Public Accountant and has a Master's degree in Business Administration from the Harvard Graduate School of

Business. His area of specialization is Financial Advisory and Corporate Finance in a broad range of clients and industry sectors.

Atty. Ma. Gracia M. Pulido Tan, member

Atty. Tan, Filipino, 67, is an Independent Director of the Company since May 28, 2021. She is likewise an independent director of Belle Corporation and Premium Leisure Corp. She is the former Chairperson of the Commission on Audit, Undersecretary of Finance and Commissioner of the Presidential Commission on Good Government. She is a director of several Philippine corporations, a tax consultant and legal adviser of some private clients, and an accredited Arbitrator of the Construction Industry Arbitration Commission, Philippines and Philippine Dispute Resolution Center, Inc, Philippines. Atty. Tan served as Chairman of the United Nations Independent Audit Advisory Committee, the first Filipino to have been elected to this 5-member Committee. She is also a member of the Tax Faculty of the Philippine Judicial Academy, and a professor at the University of the Philippines for Mandatory Continuing Legal Education. Backed by four decades of professional work in the Philippines and abroad as a private law and counting practitioner, government official, arbitrator and international consultant, she is an expert in the fields of law,

		<p>finance, audit, governance, dispute resolution and administration. She graduated from the University of the Philippines in 1977 with a degree in Bachelor of Science in Business Administration and Accountancy and in 1981 with Bachelor of Laws. In 1987, she obtained her Master of Laws (Tax) from the New York University. She is a lawyer and a Certified Public Accountant.</p> <p>Results of the 2022 Organizational Meeting https://www.loto.com.ph/sites/default/files/5.27.22%20Results%20of%20Organizational%20Meeting%20of%20Board%20of%20Directors%201.pdf</p> <p>2022 Annual Report, p. 32 of pdf https://www.loto.com.ph/sites/default/files/POSC%20ANNUAL%20REPORT%202022.pdf</p>	
<p>3. Chairman of the Corporate Governance Committee is an independent director.</p>	<p>Compliant</p>	<p><i>Provide information or link/reference to a document containing information on the Chairman of the Corporate Governance Committee.</i></p> <p>The Chairman of the Corporate Governance Committee is Mr. Roberto V. Antonio. He was elected as Independent Director on September 13, 2022.</p> <p>Roberto V. Antonio, Filipino, 60, is an Independent Director of the Company.</p>	

	<p>He is also an independent Director of Premium Leisure Corp., the Development Bank of the Philippines and is connected in different capacities with the following private entities: President of Kalimera, Inc., RVA & Sons, Inc., and RVA International Trading Corporation; Chairman of RVA Hatch, Inc.; Vice Chairman of Right Eight Security Agency, Inc.; Consultant of Mustang Holdings, Inc.; as well as former President of the La Salle Greenhills Foundation and former Board Member of the La Salle Greenhills Alumni. Mr. Antonio served as one of the Department of Tourism's Undersecretaries from 1998-2000 and Senior Consultant from 2004-2010.</p> <p>He graduated from De La Salle University with a degree in Economics major in Marketing Management in 1984. Candidate of Juris Doctor at the Ateneo De Manila University Law School in 1989. He finished his Master's in Business Economics at the University of Asia and the Pacific in 1997.</p> <p>Results of the September 2022 Board Meeting https://www.loto.com.ph/sites/default/files/9.15.22%20%5BAmend-1%5DChange%20in%20Directors%20and_or%20Officers%20%28Resignation%2C%20Removal%20or%20Appointment%2C%20Election%20and_or%20Promotion%29%201.pdf</p>	
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Optional: Recommendation 3.3.			
1. Corporate Governance Committee meet at least twice during the year.	Compliant	<i>Indicate the number of Corporate Governance Committee meetings held during the year and provide proof thereof.</i>	

		<p>The Corporate Governance Committee met four (4) times in 2022.</p> <p>https://www.loto.com.ph/sites/default/files/Corporate%20Governance%20Committee%20Meeting%202022.pdf</p> <p>Corporate Governance Committee had 4 meetings for 2022.</p> <p>2022 Annual Report, p. 32 of pdf https://www.loto.com.ph/sites/default/files/POSC%20ANNUAL%20REPORT%202022.pdf</p> <p>Summary of Board and Committee Activities in 2022 https://www.loto.com.ph/sites/default/files/Summary%20of%20BOD%20and%20COM%20mtgs%202022.pdf</p>	
Recommendation 3.4			
<p>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.</p>	<p>Compliant</p>	<p><i>Provide information or link/reference to a document containing information on the Board Risk Oversight Committee (BROC), including its functions.</i></p> <p>Revised Manual on Corporate Governance, p. 27-29 https://www.loto.com.ph/sites/default/files/2022%20Revised%20Manual%20CG.pdf</p> <p>https://www.loto.com.ph/corporate-governance/governance-pacific-online-0</p> <p>Risk Oversight Committee Charter</p>	

		https://www.loto.com.ph/sites/default/files/2022-02-09%20Board%20Risk%20Oversight%20Committee%20Charter_0.pdf									
<p>2. BROC is composed of at least three members, the majority of whom should be independent directors, including the Chairman.</p>	<p>Compliant</p>	<p>Risk Oversight Committee Composition</p> <table border="0"> <tr> <td>Ma. Gracia M. Pulido-Tan</td> <td>Chairman (NED-ID)</td> </tr> <tr> <td>Tarciso M. Medalla</td> <td>Member (NED)</td> </tr> <tr> <td>Laurito E. Serrano</td> <td>Member (NED-ID)</td> </tr> <tr> <td>Roberto V. Antonio</td> <td>Member (NED-ID)</td> </tr> </table> <p>Atty. Ma. Gracia M. Pulido Tan, Chairperson</p> <p>Atty. Tan, Filipino, 67, is an Independent Director of the Company since May 28, 2021. She is likewise an independent director of Belle Corporation and Premium Leisure Corp. She is the former Chairperson of the Commission on Audit, Undersecretary of Finance and Commissioner of the Presidential Commission on Good Government. She is a director of several Philippine corporations, a tax consultant and legal adviser of some private clients, and an accredited Arbitrator of the Construction Industry Arbitration Commission, Philippines and Philippine Dispute Resolution Center, Inc, Philippines. Atty. Tan served as Chairman of the United Nations Independent Audit Advisory Committee, the first Filipino to have been elected to this 5-member Committee. She is also a member of the Tax Faculty of the Philippine Judicial Academy, and a professor at the University of the Philippines for Mandatory Continuing Legal Education. Backed by four decades of</p>	Ma. Gracia M. Pulido-Tan	Chairman (NED-ID)	Tarciso M. Medalla	Member (NED)	Laurito E. Serrano	Member (NED-ID)	Roberto V. Antonio	Member (NED-ID)	
Ma. Gracia M. Pulido-Tan	Chairman (NED-ID)										
Tarciso M. Medalla	Member (NED)										
Laurito E. Serrano	Member (NED-ID)										
Roberto V. Antonio	Member (NED-ID)										

	<p>professional work in the Philippines and abroad as a private law and counting practitioner, government official, arbitrator and international consultant, she is an expert in the fields of law, finance, audit, governance, dispute resolution and administration. She graduated from the University of the Philippines in 1977 with a degree in Bachelor of Science in Business Administration and Accountancy and in 1981 with Bachelor of Laws. In 1987, she obtained her Master of Laws (Tax) from the New York University. She is a lawyer and a Certified Public Accountant.</p> <p>Roberto V. Antonio, Filipino, 60, is an Independent Director of the Company. He is also an independent Director of Premium Leisure Corp., the Development Bank of the Philippines and is connected in different capacities with the following private entities: President of Kalimera, Inc., RVA & Sons, Inc., and RVA International Trading Corporation; Chairman of RVA Hatch, Inc.; Vice Chairman of Right Eight Security Agency, Inc.; Consultant of Mustang Holdings, Inc.; as well as former President of the La Salle Greenhills Foundation and former Board Member of the La Salle Greenhills Alumni. Mr. Antonio served as one of the Department of Tourism's Undersecretaries from 1998-2000 and Senior Consultant from 2004-2010.</p>	
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He graduated from De La Salle University with a degree in Economics major in Marketing Management in 1984. Candidate of Juris Doctor at the Ateneo De Manila University Law School in 1989. He finished his Master's in Business Economics at the University of Asia and the Pacific in 1997.

Laurito E. Serrano, member

Mr. Serrano, Filipino, 62, is a Director of the Company since May 23, 2014, and is currently the Lead Independent Director. Mr. Serrano concurrently serves as Independent Director of Rizal Commercial Banking Corporation, 2GO Group Inc., Axelum Resources Corp., and Anglo-Philippine Holdings, Inc. He is also a director in privately-held MRT Development Corporation. As independent director in listed entities, Mr. Serrano serves as chairman or member of such companies' audit, compliance, and risk committees. Mr. Serrano is a former partner of the Corporate Finance Consulting Group of SGV & Co. He is a Philippine Certified Public Accountant and has a Master's degree in Business Administration from the Harvard Graduate School of Business. His area of specialization is Financial Advisory and Corporate Finance in a broad range of clients and industry sectors.

Tarcisio M. Medalla, member

		<p>Mr. Medalla, Filipino, 74, is a Director of the company since December 10, 2001. He is currently the Chairman and President of listed firm Paxys, Inc. He is also a Director of All Asia Customer Services Holdings Ltd., the principal shareholder of Paxys, Inc. He graduated with a Bachelor of Science degree in Commerce (Major in Accounting) from De La Salle University. He attended the Advanced Management Program (AMP) at Harvard Business School. He is a Certified Public Accountant.</p> <p>https://www.loto.com.ph/corporate-governance/governance-pacific-online-0</p> <p>https://www.loto.com.ph/our-company/leadership</p> <p>Results of the 2022 Organizational Meeting</p> <p>https://www.loto.com.ph/sites/default/files/5.27.22%20Results%20of%20Organizational%20Meeting%20of%20Board%20of%20Directors%201.pdf</p>	
<p>3. The Chairman of the BROCC is not the Chairman of the Board or of any other committee.</p>	<p>Compliant</p>	<p><i>Provide information or link/reference to a document containing information on the Chairman of the BROCC.</i></p> <p>https://www.loto.com.ph/our-company/leadership</p>	

<https://www.loto.com.ph/corporate-governance/governance-pacific-online-0>

Board Risk Oversight Committee
Chairperson:
Atty. Ma. Gracia M. Pulido-Tan –
Independent Director

Atty. Ma. Gracia M. Pulido Tan, Filipino, 67, is an Independent Director of the Company since May 28, 2021. She is likewise an independent director of Belle Corporation and Premium Leisure Corp. She is the former Chairperson of the Commission on Audit, Undersecretary of Finance and Commissioner of the Presidential Commission on Good Government. She is a director of several Philippine corporations, a tax consultant and legal adviser of some private clients, and an accredited Arbitrator of the Construction Industry Arbitration Commission, Philippines and Philippine Dispute Resolution Center, Inc, Philippines. Atty. Tan served as Chairman of the United Nations Independent Audit Advisory Committee, the first Filipino to have been elected to this 5-member Committee. She is also a member of the Tax Faculty of the Philippine Judicial Academy, and a professor at the University of the Philippines for Mandatory Continuing Legal Education. Backed by four decades of professional work in the Philippines and

		<p>abroad as a private law and counting practitioner, government official, arbitrator and international consultant, she is an expert in the fields of law, finance, audit, governance, dispute resolution and administration.</p> <p>She graduated from the University of the Philippines in 1977 with a degree in Bachelor of Science in Business Administration and Accountancy and in 1981 with Bachelor of Laws. In 1987, she obtained her Master of Laws (Tax) from the New York University. She is a lawyer and a Certified Public Accountant.</p> <p>Results of the 2022 Organizational Meeting https://www.loto.com.ph/sites/default/files/5.27.22%20Results%20of%20Organizational%20Meeting%20of%20Board%20of%20Directors%201.pdf</p>	
<p>4. At least one member of the BROCC has relevant thorough knowledge and experience on risk and risk management.</p>	<p>Compliant</p>	<p><i>Provide information or link/reference to a document containing information on the background, skills, and/or experience of the members of the BROCC.</i></p> <p>https://www.loto.com.ph/our-company/leadership</p> <p>DIS for the 2023 ASM, p. 53-54 of pdf https://www.loto.com.ph/sites/default/files/FINAL%20POSC_2023%20ASM_Defi</p>	

		nitive%2020IS_04262023%20and%20attachments%2026apr23_Redacted.pdf Board Diversity Skill Set Matrix https://www.loto.com.ph/sites/default/files/POSC%20Board%20Diversity%202022%204.20.23.pdf	
Recommendation 3.5			
1. Board establishes a Related Party Transactions (RPT) Committee, which is tasked with reviewing all material related party transactions of the company.	Compliant	<i>Provide information or link/reference to a document containing information on the Related Party Transactions (RPT) Committee, including its functions.</i> Revised Manual on Corporate Governance, p. 29-31 https://www.loto.com.ph/sites/default/files/2022%20Revised%20Manual%20CG.pdf https://www.loto.com.ph/corporate-governance/governance-pacific-online-0 Related Party Transactions Committee Charter https://www.loto.com.ph/sites/default/files/2022-01-31%20Related%20Party%20Transactions%20Committee%20Charter_0.pdf	
2. RPT Committee is composed of at least three non-executive directors, two of whom should be independent, including the Chairman.	Compliant	<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>	

RPT Committee Composition

Roberto V. Antonio	Chairman (NED-ID)
Ma. Gracia M. Pulido-Tan	Member (NED-ID)
Laurito E. Serrano	Member (NED-ID)
Henry N. Ocier	Member (NED)
Raul B. De Mesa	Member (NED)

Roberto V. Antonio, Chairman

Mr. Antonio, Filipino, 60, is an Independent Director of the Company. He is also an independent Director of Premium Leisure Corp., the Development Bank of the Philippines and is connected in different capacities with the following private entities: President of Kalimera, Inc., RVA & Sons, Inc., and RVA International Trading Corporation; Chairman of RVA Hatch, Inc.; Vice Chairman of Right Eight Security Agency, Inc.; Consultant of Mustang Holdings, Inc.; as well as former President of the La Salle Greenhills Foundation and former Board Member of the La Salle Greenhills Alumni. Mr. Antonio served as one of the Department of Tourism's Undersecretaries from 1998-2000 and Senior Consultant from 2004-2010.

He graduated from De La Salle University with a degree in Economics major in Marketing Management in 1984. Candidate of Juris Doctor at the Ateneo De Manila University Law School in 1989. He finished his Master's in Business Economics at the University of Asia and the Pacific in 1997.

Raul B. De Mesa, member

Mr. De Mesa, Filipino, 79, is a newly elected director of the Company last June 9, 2022. He is the Chairman, President and CEO of AbaCore Capital Holdings, Inc. He is a distinguished banker and has gained a wealth of experience in the financial industry. He previously served as the President and Chief Executive Officer of Bank of Commerce which was preceded by about 37 years of service in the banking industry, specifically in institutions like the Security Bank, Manila Banking Corporation, and Far East Bank and Trust Company. He graduated from the De La Salle University in 1963 with a degree in Bachelor of Arts in Business. He also completed Strategic Business Economics from the University of Asia and the Pacific in 1986.

Henry N. Ocier, member

Mr. Ocier, Filipino, 65, is a Director of the Company since June 29, 2009. He currently holds the position of President & General Manager of Guatson International Travel and Tours, Inc. He graduated with a Bachelor of Science degree in Business Economics from De La Salle University.

Atty. Ma. Gracia M. Pulido Tan, member

Atty. Tan, Filipino, 67, is an Independent Director of the Company since May 28, 2021. She is likewise an independent director of Belle Corporation and Premium Leisure Corp. She is the former

		<p>Chairperson of the Commission on Audit, Undersecretary of Finance and Commissioner of the Presidential Commission on Good Government. She is a director of several Philippine corporations, a tax consultant and legal adviser of some private clients, and an accredited Arbitrator of the Construction Industry Arbitration Commission, Philippines and Philippine Dispute Resolution Center, Inc, Philippines. Atty. Tan served as Chairman of the United Nations Independent Audit Advisory Committee, the first Filipino to have been elected to this 5-member Committee. She is also a member of the Tax Faculty of the Philippine Judicial Academy, and a professor at the University of the Philippines for Mandatory Continuing Legal Education. Backed by four decades of professional work in the Philippines and abroad as a private law and counting practitioner, government official, arbitrator and international consultant, she is an expert in the fields of law, finance, audit, governance, dispute resolution and administration. She graduated from the University of the Philippines in 1977 with a degree in Bachelor of Science in Business Administration and Accountancy and in 1981 with Bachelor of Laws. In 1987, she obtained her Master of Laws (Tax) from the New York University. She is a lawyer and a Certified Public Accountant.</p>
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Laurito E. Serrano, member

Mr. Serrano, Filipino, 62, is a Director of the Company since May 23, 2014, and is currently the Lead Independent Director. Mr. Serrano concurrently serves as Independent Director of Rizal Commercial Banking Corporation, 2GO Group Inc., Axelum Resources Corp., and Anglo-Philippine Holdings, Inc. He is also a director in privately-held MRT Development Corporation. As independent director in listed entities, Mr. Serrano serves as chairman or member of such companies' audit, compliance, and risk committees. Mr. Serrano is a former partner of the Corporate Finance Consulting Group of SGV & Co. He is a Philippine Certified Public Accountant and has a Master's degree in Business Administration from the Harvard Graduate School of Business. His area of specialization is Financial Advisory and Corporate Finance in a broad range of clients and industry sectors.

<https://www.loto.com.ph/corporate-governance/governance-pacific-online-0>

<https://www.loto.com.ph/our-company/leadership>

Mr. Roberto V. Antonio (ID) is the Chairperson of the RPT Committee. He

		<p>replaced Atty. Roberto C. O. Lim, who resigned effective August 1, 2022.</p> <p>Results of the 2022 Organizational Meeting https://www.loto.com.ph/sites/default/files/5.27.22%20Results%20of%20Organizational%20Meeting%20of%20Board%20of%20Directors%201.pdf</p> <p>Results of the September 2022 Board Meeting https://www.loto.com.ph/sites/default/files/9.15.22%20%5BAmend-1%5DChange%20in%20Directors%20and_or%20Officers%20%28Resignation%20C%20Removal%20or%20Appointment%20C%20Election%20and_or%20Promotion%29%201.pdf</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.	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 process.</i></p>	
2. Committee Charters provide standards for evaluating the performance of the Committees.	Compliant	<p>Company website/Governance at Pacific Online https://www.loto.com.ph/corporate-governance/governance-pacific-online-0</p> <p>Board Committee Compositions, Charters, Attendance to 2022 Meetings</p>	

		https://www.loto.com.ph/corporate-governance/governance-pacific-online-0 Revised Manual on Corporate Governance, p. 18-31 https://www.loto.com.ph/sites/default/files/2022%20Revised%20Manual%20CG.pdf Summary of 2022 Board and Board Committee Activities https://www.loto.com.ph/sites/default/files/Summary%20of%20BOD%20and%20COM%20mtgs%202022.pdf	
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3. Committee Charters were fully disclosed on the company's website.	Compliant	<i>Provide link to company's website where the Committee Charters are disclosed.</i> Board Committee Charters https://www.loto.com.ph/corporate-governance/governance-pacific-online-0	
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Principle 4: To show full commitment to the company, the directors should devote the time and attention necessary to properly and effectively perform their duties and responsibilities, including sufficient time to be familiar with the corporation's business.

Recommendation 4.1

1. The Directors attend and actively participate in all meetings of the Board, Committees and shareholders in person or through tele-/videoconferencing conducted in accordance with the rules and regulations of the Commission.	Compliant	<i>Provide information on or link/reference to a document containing information on the process and procedure for tele/videoconferencing board and/or committee meetings.</i> Revised Manual on Corporate Governance, p. 17 https://www.loto.com.ph/sites/default/files/2022%20Revised%20Manual%20CG.pdf	
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		<p>With the ongoing pandemic, the Board and Committees met virtually in consideration of the attendees' safety and well-being. This is in accordance with the SEC's regulations on meetings via remote communication.</p> <p>Revised Manual on Corporate Governance, p. 17 https://www.loto.com.ph/sites/default/files/2022%20Revised%20Manual%20CG.pdf</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>Summary of Board and Committee Activities in 2022 https://www.loto.com.ph/sites/default/files/Summary%20of%20BOD%20and%20COM%20mtgs%202022.pdf</p> <p>2022 Board Meeting Attendance https://www.loto.com.ph/sites/default/files/Summary%20of%20Board%20of%20Directors%27%20Attendance%20to%202022%20Meetings.pdf</p> <p>Minutes of the 2022 ASM, draft https://www.loto.com.ph/sites/default/files/ASM%202022%20DRAFT%20MINUTE%20S.pdf</p>	
2. The directors review meeting materials for all Board and Committee meetings.	Compliant	Revised Manual on Corporate Governance, Item 2.13.4, p. 17	

		https://www.loto.com.ph/sites/default/files/2022%20Revised%20Manual%20C.G.pdf	
3. The directors ask the necessary questions or seek clarifications and explanations during the Board and Committee meetings.	Compliant	<p><i>Provide information or link/reference to a document containing information on any questions raised or clarification/explanation sought by directors.</i></p> <p>Revised Manual on Corporate Governance, Item 2.14, p. 17 https://www.loto.com.ph/sites/default/files/2022%20Revised%20Manual%20C.G.pdf</p> <p>Summary of Board and Committee Activities in 2022 https://www.loto.com.ph/sites/default/files/Summary%20of%20BOD%20and%20COM%20mtgs%202022.pdf</p>	
Recommendation 4.2			
1. Non-executive directors concurrently serve in a maximum of five publicly-listed companies to ensure that they have sufficient time to fully prepare for minutes, challenge Management's proposals/views, and oversee the long-term strategy of the company.	Compliant	<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>Revised Manual on Corporate Governance, Item 2.15.2, p.18 https://www.loto.com.ph/sites/default/files/2022%20Revised%20Manual%20C.G.pdf</p> <p>https://www.loto.com.ph/our-company/leadership</p> <p><i>Provide information or reference to document containing information on the</i></p>	

		<p><i>directorships of the company's directors in both listed and non-listed companies.</i></p> <p>SEC Form 17A (Annual Report), p.19-21 https://www.loto.com.ph/sites/default/files/POSC%20ANNUAL%20REPORT%202022_0.pdf</p> <p>DIS for 2022 ASM, p.6-8 https://www.loto.com.ph/sites/default/files/4.27.22%20Information%20Statement%202022.pdf</p> <p>https://www.loto.com.ph/our-company/leadership</p>	
Recommendation 4.3			
1. The directors notify the company's board before accepting a directorship in another company.	Compliant	<p><i>Provide copy of written notification to the board or minutes of board meeting wherein the matter was discussed.</i></p> <p>Revised Manual on Corporate Governance, Item 2.15, p. 17 https://www.loto.com.ph/sites/default/files/2022%20Revised%20Manual%20CG.pdf</p>	
Optional: Principle 4			
1. Company does not have any executive directors who serve in more than two boards of listed companies outside of the group.			
2. Company schedules board of directors' meetings before the start of the financial year.	Compliant	<p>Schedule of Board of Director's meetings for 2022 were reviewed and approved on February 10, 2022. For the 2023 schedule of meetings, this was discussed and approved in November 2022.</p>	

		<p>Summary of Board and Committee Activities in 2022 https://www.loto.com.ph/sites/default/files/Summary%20of%20BOD%20and%20COM%20mtgs%202022.pdf</p>	
3. Board of directors meet at least six times during the year.	Compliant	<p><i>Indicate the number of board meetings during the year and provide proof.</i></p> <p>Summary of Attendance to 2022 BOD Meetings https://www.loto.com.ph/sites/default/files/Summary%20of%20Board%20of%20Directors%27%20Attendance%20to%202022%20Meetings.pdf</p> <p>Board of Directors had 10 meetings for 2022, including the ASM and Organizational Meeting.</p> <p>Summary of Board and Committee Meetings in 2022 https://www.loto.com.ph/sites/default/files/Summary%20of%20BOD%20and%20COM%20mtgs%202022.pdf</p> <p>SEC Form 17A (Annual Report) 2022 https://www.loto.com.ph/sites/default/files/POSC%20ANNUAL%20REPORT%202022_0.pdf</p>	
4. Company requires as minimum quorum of at least 2/3 for board decisions.	Compliant	<p><i>Indicate the required minimum quorum for board decisions.</i></p> <p>Revised Manual on Corporate Governance, Item 2.13, p. 17</p>	

<https://www.loto.com.ph/sites/default/files/2022%20Revised%20Manual%20C.G.pdf>

Principle 5: The board should endeavor to exercise an objective and independent judgment on all corporate affairs

Recommendation 5.1

<p>1. The Board has at least 3 independent directors or such number as to constitute one-third of the board, whichever is higher.</p>	<p>Compliant</p>	<p><i>Provide information or link/reference to a document containing information on the number of independent directors in the board.</i></p> <p>The Company has three (3) Independent Directors, namely: Mr. Laurito E. Serrano, Mr. Roberto V. Antonio, and Atty. Ma. Gracia M. Pulido-Tan.</p> <p>https://www.loto.com.ph/our-company/leadership</p> <p>SEC Form 17A (Annual Report) 2022, p. 20-21</p> <p>https://www.loto.com.ph/sites/default/files/POSC%20ANNUAL%20REPORT%202022_0.pdf</p>	
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Recommendation 5.2

<p>1. The independent directors possess all the qualifications and none of the disqualifications to hold the positions.</p>	<p>Compliant</p>	<p><i>Provide information or link/reference to a document containing information on the qualifications of the independent directors.</i></p> <p>Revised Manual on Corporate Governance, p.13,15-16</p>	
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		https://www.loto.com.ph/our-company/leadership SEC Form 17A (Annual Report) 2022, p. 20-21 https://www.loto.com.ph/sites/default/files/POSC%20ANNUAL%20REPORT%202022_0.pdf	
Supplement to Recommendation 5.2			
1. Company has no shareholder agreements, by-laws provisions, or other arrangements that constrain the directors' ability to vote independently.	Compliant	<i>Provide link/reference to a document containing information that directors are not constrained to vote independently.</i> Pacific Online has no shareholder agreements, by-laws, provisions, or other arrangements that constrain the directors' ability to vote independently. Revised Manual on Corporate Governance, p.12 https://www.loto.com.ph/sites/default/files/2022%20Revised%20Manual%20C.G.pdf “To exercise independent judgment. He shall view each problem or situation objectively. Should a disagreement with other directors arise, he should carefully evaluate and explain his position. He should not be afraid to take unpopular positions if he thinks such ideas are beneficial to the Company.”	
Recommendation 5.3			

<p>1. The independent directors serve for a cumulative term of nine years (reckoned from 2012).</p>	<p>Compliant</p>	<p><i>Provide information or link/reference to a document showing the years IDs have served as such.</i></p> <p>Company website/Leadership https://www.loto.com.ph/our-company/leadership</p> <p>SEC Form 17A (Annual Report), p. 19-21 https://www.loto.com.ph/sites/default/files/POSC%20ANNUAL%20REPORT%202022_0.pdf</p> <p>Lead Independent Director, Mr. Laurito E. Serrano, is completing his 9-year term as an ID. He will no longer be re-elected for 2023-2024.</p>	
<p>2. The company bars an independent director from serving in such capacity after the term limit of nine years.</p>	<p>Compliant</p>	<p><i>Provide information or link/reference to a document containing information on the company's policy on term limits for its independent directors.</i></p> <p>Revised Manual on Corporate Governance, Item 2.8.5 p. 12-13 https://www.loto.com.ph/sites/default/files/2022%20Revised%20Manual%20C.G.pdf</p>	
<p>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.</p>	<p>Compliant</p>	<p><i>Provide reference to the meritorious justification and proof of shareholders' approval during the annual shareholders' meeting.</i></p> <p>Mr. Laurito E. Serrano is completing his 9-year term as Independent Director. He is not a nominee for re-election. The</p>	

		other Independent Directors, Atty. Maria Gracia M. Pulido-Tan and Mr. Roberto V. Antonio are still within the term limit set forth in the Manual on Corporate Governance.	
Recommendation 5.4			
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>Chairman of the Board: Willy N. Ocier</p> <p>President: Jackson T. Ongsip</p> <p>Results of the 2022 Organizational Meeting https://www.loto.com.ph/sites/default/files/5.27.22%20Results%20of%20Organizational%20Meeting%20of%20Board%20of%20Directors%201.pdf</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>Revised Manual on Corporate Governance, p. 31-32 https://www.loto.com.ph/sites/default/files/2022%20Revised%20Manual%20CG.pdf</p> <p><i>Identify the relationship of Chairman and CEO.</i></p> <p>Revised Manual on Corporate Governance, p. 10</p>	

		https://www.loto.com.ph/sites/default/files/2022%20Revised%20Manual%20CG.pdf	
Recommendation 5.5			
1. If the Chairman of the Board is not an independent director, the board designates a lead director among the independent directors.	Compliant	<p><i>Provide information or link/reference to a document containing information on a lead independent director and his roles and responsibilities, if any. Indicate if Chairman is Independent.</i></p> <p>Revised Manual on Corporate Governance, p.11 https://www.loto.com.ph/sites/default/files/2022%20Revised%20Manual%20CG.pdf</p> <p>https://www.loto.com.ph/our-company/leadership</p> <p>Chairman is not an Independent Director, however, a Lead Independent Director was appointed.</p> <p>Lead Independent Director: Mr. Laurito E. Serrano</p> <p>Results of the 2022 Organizational Meeting https://www.loto.com.ph/sites/default/files/5.27.22%20Results%20of%20Organizational%20Meeting%20of%20Board%20of%20Directors%201.pdf</p>	
Recommendation 5.6			
1. Directors with material interest in a transaction affecting the corporation	Compliant	<i>Provide proof of abstention, if this was the case.</i>	

<p>abstain from taking part in the deliberations on the transaction.</p>		<p>Such has not happened yet though our Revised Manual on Corporation Governance, p.11, clearly states that directors with or with potential conflict/s of interest must disclose the details and abstain from participating in the decision-making process.</p> <p>https://www.loto.com.ph/sites/default/files/2022%20Revised%20Manual%20C.G.pdf</p> <p>https://www.loto.com.ph/sites/default/files/POLICY%20ON%20CONFLICT%20OF%20INTEREST_1.pdf</p>	
<p>Recommendation 5.7</p>			
<p>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.</p>	<p>Compliant</p>	<p><i>Provide proof and details of said meeting, if any. Provide information on the frequency and attendees of meetings.</i></p> <p>Meetings among non-executive directors were conducted with the External Auditor, Internal Audit Head, Compliance Officer and Chief Risk Officer on February 9, 2022 and in February 2023 which were chaired by Mr. Laurito E. Serrano, Lead Independent Director.</p>	
<p>2. The meetings are chaired by the lead independent director.</p>	<p>Compliant</p>	<p>Summary of Board and Committee Activities in 2022</p> <p>https://www.loto.com.ph/sites/default/files/Summary%20of%20BOD%20and%20COM%20mtgs%202022.pdf</p>	
<p>Optional: Principle 5</p>			
<p>1. None of the directors is a former CEO of the company in the past 2 years.</p>	<p>Compliant</p>	<p><i>Provide name/s of company CEO for the past 2 years.</i></p>	

		<p>Mr. Willy N. Ocier - re-appointed on May 28, 2021 to October 7, 2021</p> <p>Mr. Jackson T. Ongsip – appointed on October 7, 2021, re-appointed during the Organizational Meeting on May 27, 2022</p> <p>Results of the 2021 Organizational Meeting https://loto.com.ph/sites/default/files/Results%20of%20Organizational%20Meeting%20of%20Board%20of%20Directors%204.pdf</p> <p>Changes in Directors/Officers, October 2021 https://www.loto.com.ph/sites/default/files/Change%20in%20Directors%20and%20or%20Officers%20%28Resignation%2C%20Removal%20or%20Appointment%2C%20Election%20and%20or%20Promotion%29%201.pdf</p> <p>Results of the 2022 Organizational Meeting https://www.loto.com.ph/sites/default/files/5.27.22%20Results%20of%20Organizational%20Meeting%20of%20Board%20of%20Directors%201.pdf</p>	
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Principle 6: The best measure of the Board's effectiveness is through an assessment process. The Board should regularly carry out evaluations to appraise its performance as a body, and assess whether it possesses the right mix of backgrounds and competencies.

Recommendation 6.1

1. Board conducts an annual self-assessment of its performance as a whole.	Compliant	<i>Provide proof of self-assessments conducted for the whole board, the individual members, the Chairman and the Committees.</i>	
2. The Chairman conducts a self-assessment of his performance.	Compliant	<i>Year 2021 – Self Assessment Done in December 2021 for their 2021 performance</i>	
3. The individual members conduct a self-assessment of their performance.	Compliant	<i>Results of 2021 Board Assessment</i> https://loto.com.ph/sites/default/files/Board%20of%20Directors%20Evaluation%202021%20%28Summary%29.pdf	
4. Each committee conducts a self-assessment of its performance.	Compliant	<i>2022 Performance was assessed within the first quarter of 2022</i> <i>2022 Assessment Form</i> https://www.loto.com.ph/sites/default/files/LOTO%20Board%20Eval%20Form%202022.pdf	
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 Company shall endeavor to use an external facilitator for the assessment of the Board's 2023 performance.
Recommendation 6.2			
1. Board has in place a system that provides, at the minimum, criteria and process to determine the performance of the Board, individual directors and committees.	Compliant	<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>	
2. The system allows for a feedback mechanism from the shareholders.	Compliant	<i>Revised Manual on Corporate Governance, p. 18</i> https://www.loto.com.ph/sites/default/files/2022%20Revised%20Manual%20CG.pdf	

		<p>Published email address: contactus@pacificonline.com.ph</p> <p>For governance-related issues or concerns, stakeholders may refer to: Mischel O. Mendoza Business Development Head & Risk Officer 2803 A&B Tektite Towers, Ortigas Center, Pasig City 1605 Tel.No.:(632) 8584-1700 Email: momendoza@pacificonline.com.ph</p> <p>For Investor Relations, stakeholders may contact: Grace L. Gatdula Administration Division Head & Contact for Investor Relations 2803 A&B Tektite Towers, Ortigas Center, Pasig City 1605 Tel.No.:(632) 8584-1700 Email: lgatdula@pacificonline.co.ph</p> <p>SEC Form 17A (Annual Report) 2022, p. 32 https://www.loto.com.ph/sites/default/files/POSC%20ANNUAL%20REPORT%202022_0.pdf</p>	
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Principle 7: Members of the Board are duty-bound to apply high ethical standards, taking into account the interests of all stakeholders.

Recommendation 7.1

1. Board adopts a Code of Business Conduct and Ethics, which provide standards for professional and ethical behavior, as well as articulate acceptable and unacceptable conduct and practices in internal and external dealings of the company.	Compliant	<p><i>Provide information on or link/reference to the company's Code of Business Conduct and Ethics.</i></p> <p>Code of Conduct https://www.loto.com.ph/sites/default/files/CODE%20OF%20CONDUCT_1.pdf</p> <p>Code of Business Conduct and Ethics https://www.loto.com.ph/sites/default/files/2019%20CODE%20OF%20BUSINESS%20CONDUCT%20AND%20ETHICS_0.PDF</p>	
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>The Code of Conduct is distributed by way of making it available thru the Company website for the employees and officers' easy reference.</p> <p>https://www.loto.com.ph/sites/default/files/CODE%20OF%20CONDUCT_1.pdf</p>	
3. The Code is disclosed and made available to the public through the company website.	Compliant	<p><i>Provide a link the company's website where the Code of Business Conduct and Ethics is posted/disclosed.</i></p> <p>Code of Conduct https://www.loto.com.ph/sites/default/files/CODE%20OF%20CONDUCT_1.pdf</p> <p>Code of Business Conduct and Ethics https://www.loto.com.ph/sites/default/files/2019%20CODE%20OF%20BUSINESS%20CONDUCT%20AND%20ETHICS_0.PDF</p>	
Supplement to Recommendation 7.1			
1. Company has clear and stringent policies and procedures on curbing and penalizing company involvement in offering, paying and receiving bribes.	Compliant	<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>Whistle-Blowing Policy https://www.loto.com.ph/sites/default/files/WHISTLE%20BLOWING%20POLICY%204.11.23.pdf</p> <p>Code of Conduct https://www.loto.com.ph/sites/default/files/CODE%20OF%20CONDUCT_1.pdf page 5-6)</p>	

		<p>Code of Conduct</p> <p>3.8.1.1 Fraud Against the Company – committing any of the following offenses shall be penalized by DISMISSAL</p> <p>3.8.1.1.1 Making false representation of facts;</p> <p>3.8.1.1.2 Employing any kind of deception;</p> <p>3.8.1.1.3 Making false or fraudulent claims against the company;</p> <p>3.8.1.1.4 Initiating or participating in any action intended to defraud the company;</p> <p>3.8.1.1.5 Obtaining payment, gain or benefit to which one is not entitled;</p> <p>3.8.1.1.6 Knowingly honoring a forged signature for his/her own benefit or that of another person; and</p> <p>3.8.1.1.7 Giving due course of approval to a document knowing it to be false or erroneous</p> <p>3.8.1.5.2 Conflict of interest occurs in situations that have the potential to undermine the impartiality of one person because of the possibility of a clash between the person's self-interest and professional/company interest such as the following, but not limited to:</p> <p>3.8.1.5.2.1 Receiving of gifts and favors to enrich oneself or others such as family or friends.</p> <p>3.8.1.5.2.2 Preferential treatment or be affected by undue influence to give External Providers unfair advantage</p>	
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Recommendation 7.2			
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>	
2. Board ensures the proper and efficient implementation and monitoring of compliance with company internal policies.	Compliant	<p>SEC Form 17A (Annual Report), p.31 https://www.loto.com.ph/sites/default/files/POSC%20ANNUAL%20REPORT%202022_0.pdf</p> <p>The Department Heads are responsible for the dissemination of the Code of Conduct to the employees. Superiors are principally responsible for maintaining discipline in their work unit. Hence, they are accountable for the lack of discipline and order in their areas. Superiors are given sufficient authority to fully enforce all company policies and procedures, rules and office decorum to help ensure that everyone imbibes POSC's mission, core values of L.E.A.D.E.R.S and principles.</p> <p>Required to comply: Board of Directors, Officers and all Employees of the Company.</p> <p><i>Indicate who are required to comply with the Code of Business Conduct and Ethics (CBCE) and any findings on non-compliance.</i></p> <p>Code the Conduct applies to employees. https://www.loto.com.ph/sites/default/files/CODE%20OF%20CONDUCT_1.pdf</p>	

		<p>The Code of Business Conduct and Ethics applies to Directors, Senior Management and Employees.</p> <p>https://www.loto.com.ph/sites/default/files/2019%20CODE%20OF%20BUSINESS%20CONDUCT%20AND%20ETHICS_0.PDF</p> <p>No findings on non-compliance as of to-date.</p>	
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Disclosure and Transparency

Principle 8: The company should establish corporate disclosure policies and procedures that are practical and in accordance with best practices and regulatory expectations.

Recommendation 8.1

<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>	<p>Compliant</p>	<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>Corporate Disclosures https://www.loto.com.ph/investor-relations/disclosures-0</p> <p>https://www.loto.com.ph/investor-relations/disclosures/pse-sec-filings</p> <p>https://www.loto.com.ph/investor-relations/disclosures/financial-reports</p> <p>SEC Form 17A (Annual Report) for 2022, Audited Financial Statements, Sustainability Report https://www.loto.com.ph/sites/default/files/POSC%20ANNUAL%20REPORT%202022_0.pdf</p>	
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		<p>Revised Manual on Corporate Governance, p.38 https://www.loto.com.ph/sites/default/files/2022%20Revised%20Manual%20C.G.pdf</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>	<p>Compliant</p>	<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>Audited Consolidated Financial Statements for period ended December 31, 2022 https://www.loto.com.ph/sites/default/files/LOTO%2017C%20CAFS%20for%202022%20for%20PSE%20filing_Redacted.pdf</p> <p>End of Fiscal Year – Dec. 31, 2022 Distribution/Publication – February 28, 2023 Consolidated FS (SEC Form 17C) 28 days</p> <p>Quarterly Reports, 2022 https://www.loto.com.ph/investor-relations/disclosures/financial-reports</p> <p>2022 Q1 17Q Report disclosed on April 26, 2022 or less than 30 days from end of reporting period.</p> <p>2022 Q2 17Q Report disclosed on August 4, 2022 or less than 40 days from end of reporting period</p>	

		<p>2022 Q3 17Q Report disclosed on November 10, 2022 or less than 45 days from end of reporting period https://www.loto.com.ph/investor-relations/disclosures/pse-sec-filings</p>	
<p>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.</p>	<p>Compliant</p>	<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"> 1. <i>principal risks to minority shareholders associated with the identity of the company's controlling shareholders;</i> 2. <i>cross-holdings among company affiliates; and</i> 3. <i>any imbalances between the controlling shareholders' voting power and overall equity position in the company.</i> <p>The Company discloses in its Annual Report and Definitive Information Statement, the principal risks associated with the identity of the Company's shareholders, the degree of ownership concentration, cross-holdings among company affiliates and other pertinent information on equity position in the Company.</p> <p>SEC Form 17A (Annual Report), p. 25-26 https://www.loto.com.ph/sites/default/files/LOTO%20SEC%2017A%202022%20and%20LOTO17C%20SMR%2BCAFS%2020</p>	

		22%20%28redacted%29%20part%201%262.pdf DIS for 2022 ASM, p. 3-5 https://www.loto.com.ph/sites/default/files/4.27.22%20Information%20Statement%202.pdf DIS for 2023 ASM, p. 3-5 https://www.loto.com.ph/sites/default/files/FINAL%20POSC_2023%20ASM_Definitive%2004262023%20and%20attachments%2026apr23_Redacted.pdf	
Recommendation 8.2			
1. Company has a policy requiring all directors to disclose/report to the company any dealings in the company's shares within three business days.	Compliant	<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>	
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	Revised Manual on Corporate Governance https://www.loto.com.ph/sites/default/files/2022%20Revised%20Manual%20C.G.pdf "Upon request, the Company shall provide the stockholders with periodic reports and information about directors and officers, and certain other matters such as their holdings of the Company's shares, dealings with the Company, relationships among directors and key officers, and the compensation of directors and officers, including termination and retirement provisions. To make certain that the information on the shareholdings of directors and officers are updated, all directors and	

		<p>key officers shall be required to report to the Company any dealings in the Company's shares within three (3) business days."</p> <p>https://loto.com.ph/investor-relations/disclosures/pse-sec-filings (Statement of Beneficial Ownership of Securities)</p> <p>SEC Form 17A (Annual Report) 2022 https://www.loto.com.ph/sites/default/files/POSC%20ANNUAL%20REPORT%202022_0.pdf</p>	
Supplement to Recommendation 8.2			
<p>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).</p>	<p>Compliant</p>	<p><i>Provide information on or link/reference to the shareholdings of directors, management and top 100 shareholders.</i></p> <p>https://www.loto.com.ph/investor-relations/disclosures/pse-sec-filings Public Ownership Report as of Dec. 31, 2022 https://www.loto.com.ph/sites/default/files/Public%20Ownership%20Report_21.pdf</p> <p>Top 100 Shareholders as of Dec. 31, 2022 https://www.loto.com.ph/sites/default/files/LOTO%20TOP100.12.31.2022.pdf</p> <p><i>Provide link or reference to the company's Conglomerate Map.</i></p>	

		<p>https://www.loto.com.ph/our-company/corporate-structure</p> <p>Map of Conglomerate https://www.loto.com.ph/sites/default/files/POSC%20Conglomap%202023.pdf</p> <p>SEC Form 17A (Annual Report) 2022 https://www.loto.com.ph/sites/default/files/POSC%20ANNUAL%20REPORT%202022_0.pdf</p> <p>2022 Continuing Education Program https://www.loto.com.ph/sites/default/files/8.1.22%20Other%20SEC%20Forms%20C%20Reports%20and%20Requirements%202022.pdf</p>	
Recommendation 8.3			
<p>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.</p>	<p>Compliant</p>	<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>Directors' academic qualifications, memberships in other boards, professional experiences and expertise:</p> <p>Share ownership in the company: https://www.loto.com.ph/sites/default/files/Public%20Ownership%20Report_0511.pdf</p>	

		<p>Public Ownership Report as of Dec. 31, 2022 https://www.loto.com.ph/sites/default/files/Public%20Ownership%20Report_21.pdf</p> <p>SEC Form 17A (Annual Report), p.19-21, 28-29, 31-32 https://www.loto.com.ph/sites/default/files/POSC%20ANNUAL%20REPORT%202022_0.pdf</p> <p>2022 Continuing Education Program https://www.loto.com.ph/sites/default/files/8.1.22%20Other%20SEC%20Forms%20C%20Reports%20and%20Requirements%202.pdf</p> <p>https://www.loto.com.ph/our-company/leadership</p>	
<p>2. Board fully discloses all relevant and material information on key executives to evaluate their experience and qualifications, and assess any potential conflicts of interest that might affect their judgment.</p>	<p>Compliant</p>	<p><i>Provide link or reference to the key officers' academic qualifications, share ownership in the company, membership on other boards, other executive positions, professional experiences, expertise and relevant training attended.</i></p> <p>Public Ownership Report as of Dec. 31, 2022 https://www.loto.com.ph/sites/default/files/Public%20Ownership%20Report_21.pdf</p> <p>https://www.loto.com.ph/our-company/leadership</p> <p>2022 Continuing Education Program</p>	

		https://www.loto.com.ph/sites/default/files/8.1.22%20Other%20SEC%20Forms%2C%20Reports%20and%20Requirements%202.pdf SEC Form 17A (Annual Report), p.21-22, https://www.loto.com.ph/sites/default/files/POSC%20ANNUAL%20REPORT%202022_0.pdf	
Recommendation 8.4			
1. Company provides a clear disclosure of its policies and procedure for setting Board remuneration, including the level and mix of the same.	Compliant	<i>Disclose or provide link/reference to the company policy and practice for setting board remuneration.</i> Revised Manual on Corporate Governance, Item 2.16, p. 18, 23-24 https://www.loto.com.ph/sites/default/files/2022%20Revised%20Manual%20C.G.pdf “Directors shall not receive any compensation unless approved by the stockholders or provided in the Corporation’s By-Laws. No director shall participate in the approval of his compensation. However, the Board may, from time to time, approve a reasonable per diem that a director may receive for attendance in Board and Board Committee meetings.”	
2. Company provides a clear disclosure of its policies and procedure for setting executive remuneration, including the level and mix of the same.	Compliant	<i>Disclose or provide link/reference to the company policy and practice for determining executive remuneration.</i> Revised Manual on Corporate Governance, p.24	

		https://www.loto.com.ph/sites/default/files/2022%20Revised%20Manual%20C.G.pdf “b. Designate amount of remuneration, which shall be (1) in a level sufficient to attract directors, executives and other key senior personnel needed to run the company successfully, (2) commensurate to the responsibilities entailed by the position involved, and (3) in a pay-out schedule sensitive to risk outcomes over a multi-year horizon;”	
3. Company discloses the remuneration on an individual basis, including termination and retirement provisions.	Compliant	<i>Provide breakdown of director remuneration and executive compensation, particularly the remuneration of the CEO.</i> SEC Form 17A (Annual Report), p. 24 https://www.loto.com.ph/sites/default/files/POSC%20ANNUAL%20REPORT%202022_0.pdf	
Recommendation 8.5			
1. Company discloses its policies governing Related Party Transactions (RPTs) and other unusual or infrequently occurring transactions in their Manual on Corporate Governance.	Compliant	<i>Disclose or provide reference/link to company's RPT policies.</i> Related Party Transactions Policy https://www.loto.com.ph/sites/default/files/Related%20Party%20Transactions%20Policy_0.pdf Related Party Transactions Committee Charter https://www.loto.com.ph/sites/default/files/2022-01-	

		31%20Related%20Party%20Transactions%20Committee%20Charter_0.pdf No conflict-of-interest incident reported within the covered period.	
2. Company discloses material or significant RPTs reviewed and approved during the year.	Compliant	Provide information on all RPTs for the previous year or reference to a document containing the following information on all RPTS: <ol style="list-style-type: none"> 1. name of the related counterparty; 2. relationship with the party; 3. transaction date; 4. type/nature of transaction; 5. 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 other terms and conditions. SEC Form 17A, Annual Report, Audited Financial Statements, p.98-99 and 190 of pdf https://www.loto.com.ph/sites/default/files/POSC%20ANNUAL%20REPORT%20022_0.pdf	
Supplement to Recommendation 8.5			
1. Company requires directors to disclose their interests in transactions or any other conflict of interests.	Compliant	Indicate where and when directors disclose their interests in transactions or any other conflict of interests. Policy on Conflict of Interest	

[https://www.loto.com.ph/sites/default/files/POLICY%20ON%20CONFLICT%20OF%20INTEREST 1.pdf](https://www.loto.com.ph/sites/default/files/POLICY%20ON%20CONFLICT%20OF%20INTEREST%201.pdf)

Revised Manual on Corporate Governance, p.36

<https://www.loto.com.ph/sites/default/files/2022%20Revised%20Manual%20CG.pdf>

PART IV – REPORTORIAL OR DISCLOSURE SYSTEM OF COMPANY'S CORPORATE GOVERNANCE POLICIES

4.1. The reports or disclosures required under this Manual shall be prepared and submitted to the SEC by the respective committee through the Compliance Officer or the Corporate Governance Committee.

4.2. The Board shall commit at all times to fully disclose material information relative to the Company. It shall cause the filing of all required information with the proper regulatory authorities, with such report being comprehensive, accurate, reliable and timely.

The Board shall ensure that such disclosures will give shareholders and other stakeholders a fair and complete picture of the Company's Financial condition, results and business operations.

The Board shall, when appropriate, consider using media and analyst's briefings as channels of communication to ensure the timely and accurate dissemination of public, material, and

	<p>relevant information to its shareholders and stakeholders.</p> <p>4.3. The Company shall make a full, fair, accurate and timely disclosure to the public of every material fact or event that affects the Company. All material information that, in the judgment of the Board or the Company's management, could potentially affect share price in a significant manner, shall be publicly disclosed, so long as such disclosure does not violate regulations of the SEC, the Philippine Stock Exchange ("PSE") or any governmental body, nor any legal or binding agreement. Such information shall include but shall not be limited to earnings results, acquisition or disposal of significant assets, board changes, material related party transactions, shareholdings of directors and change of ownership.</p> <p>In the case of an acquisition or disposal of significant asset/s by the Company, the Company shall appoint an independent party to evaluate the fairness of the transaction price on the acquisition or disposal of asset/s.</p> <p>4.4. All disclosed information shall be released via the approved PSE procedure for company announcements, as well as through the annual report.</p> <p>Policy on Conflict of Interest https://www.loto.com.ph/sites/default/files/POLICY%20ON%20CONFLICT%20OF%20INTEREST%201.pdf</p>	
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		<p>Policy on Insider Trading https://www.loto.com.ph/sites/default/files/INSIDER%20TRADING%20POLICY_0.pdf</p>	
Optional : Recommendation 8.5			
<p>1. Company discloses that RPTs are conducted in such a way to ensure that they are fair and at arms' length.</p>	Compliant	<p><i>Provide link or reference where this is disclosed, if any</i></p> <p>Related Party Transactions Committee Charter https://www.loto.com.ph/sites/default/files/2022-01-31%20Related%20Party%20Transactions%20Committee%20Charter_0.pdf</p> <p>"The Committee shall be responsible for reviewing all material related party transactions of the Company and ensuring that all RPTs are conducted on a fair and arms- length basis."</p> <p>Policy on Related Party Transactions https://loto.com.ph/sites/default/files/Related%20Party%20Transactions%20Policy_0.pdf</p> <p>Revised Manual on Corporate Governance, Item 2.18.4.2.c, p.30 https://www.loto.com.ph/sites/default/files/2022%20Revised%20Manual%20C.G.pdf</p>	
Recommendation 8.6			
<p>1. Company makes a full, fair, accurate and timely disclosure to the public of every material fact or event that occur,</p>	Compliant	<p><i>Provide link or reference where this is disclosed.</i></p>	

<p>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>https://loto.com.ph/investor-relations/disclosures/pse-sec-filings</p> <p>SEC Form 17A (Annual Report0, p. 190 of pdf https://www.loto.com.ph/sites/default/files/POSC%20ANNUAL%20REPORT%202022_0.pdf</p> <p>Related Party Transactions Policy and Guidelines https://www.loto.com.ph/sites/default/files/Related%20Party%20Transactions%20Policy_0.pdf</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. Disclose the rules and procedures for evaluation the fairness of the transaction price, if any.</i></p> <p>The Company shall exercise due diligence and consult with its parent company as it appoints a third-party to evaluate the fairness of the transaction on the acquisition and disposal of assets. Compliance will all regulatory requirements shall be done at all times.</p> <p>Management shall prepare the terms of reference which is the basis for the service providers' offer sheet. It is incumbent that these providers have gone through the parent company's accreditation per company policy. Once completed, the bids are presented to the Board for consideration and approval, and filing</p>	

		of appropriate disclosures, as they are required.	
		Related Party Transactions Committee Charter https://www.loto.com.ph/sites/default/files/2022-01-31%20Related%20Party%20Transactions%20Committee%20Charter_0.pdf	
Supplement to Recommendation 8.6			
1. Company discloses the existence, justification and details on shareholder agreements, voting trust agreements, confidentiality agreements, and such other agreements that may impact on the control, ownership, and strategic direction of the company.	Compliant	<i>Provide link or reference where these are disclosed.</i> There are no shareholder agreements, voting trust agreements, confidentiality agreements, and such other agreements that may impact on the control, ownership, and strategic direction of the company reported for the period covered.	
Recommendation 8.7			
1. Company's corporate governance policies, programs and procedures are contained in its Manual on Corporate Governance (MCG).	Compliant	<i>Provide link to the company's website where the Manual on Corporate Governance is posted.</i>	
2. Company's MCG is submitted to the SEC and PSE.	Compliant	Revised Manual on Corporate Governance https://www.loto.com.ph/sites/default/files/2022%20Revised%20Manual%20C.G.pdf	
3. Company's MCG is posted on its company website.	Compliant		
Supplement to Recommendation 8.7			

1. Company submits to the SEC and PSE an updated MCG to disclose any changes in its corporate governance practices.	Compliant	<i>Provide proof of submission</i> Proof of submission https://www.loto.com.ph/sites/default/files/2022%20Revised%20Manual%20CG.pdf	
Optional: Principle 8			
1. Does the company's Annual Report disclose the following information:		<i>Provide link or reference to the company's Annual Report containing the said information.</i>	
a. Corporate Objectives	Compliant		
b. Financial performance indicators	Compliant	SEC Form 17A (Annual Report) 2022	
c. Non-financial performance indicators	Compliant	https://www.loto.com.ph/sites/default/files/POSC%20ANNUAL%20REPORT%202022_0.pdf	
d. Dividend Policy	Compliant		
e. Biographical details (at least age, academic qualifications, date of first appointment, relevant experience, and other directorships in listed companies) of all directors	Compliant	Corporate Objectives, (p. 22 of pdf) https://www.loto.com.ph/sites/default/files/POSC%20ANNUAL%20REPORT%202022_0.pdf	
f. Attendance details of each director in all directors meetings held during the year	Compliant	Financial Performance Indicators 2022 Audited Financial Statements (p.40-116 of pdf) https://www.loto.com.ph/sites/default/files/POSC%20ANNUAL%20REPORT%202022_0.pdf	
g. Total remuneration of each member of the board of directors	Compliant	https://www.loto.com.ph/sites/default/files/POSC%20ANNUAL%20REPORT%202022_0.pdf Non-financial performance indicators, Sustainability Report (p.117-144 of pdf) https://www.loto.com.ph/sites/default/files/POSC%20ANNUAL%20REPORT%202022_0.pdf https://loto.com.ph/sustainability Dividend Policy, (p.9)	

		https://www.loto.com.ph/sites/default/files/POSC%20ANNUAL%20REPORT%202022_0.pdf Biographical details, (p.19-21) https://www.loto.com.ph/sites/default/files/POSC%20ANNUAL%20REPORT%202022_0.pdf Attendance to 2022 meetings, (p. 27-28) https://www.loto.com.ph/sites/default/files/POSC%20ANNUAL%20REPORT%202022_0.pdf Total Remuneration, p. 24 https://www.loto.com.ph/sites/default/files/POSC%20ANNUAL%20REPORT%202022_0.pdf	
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> SEC Form 17A (Annual Report) 2022 https://www.loto.com.ph/sites/default/files/POSC%20ANNUAL%20REPORT%202022_0.pdf	
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> SEC Form 17A (Annual Report) 2022 https://www.loto.com.ph/sites/default/files/POSC%20ANNUAL%20REPORT%202022_0.pdf	

<p>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.</p>	<p>Compliant</p>	<p><i>Provide link or reference to where this is contained in the Annual Report.</i></p> <p>SEC Form 17A (Annual Report) 2022, p. 30 https://www.loto.com.ph/sites/default/files/POSC%20ANNUAL%20REPORT%202022_0.pdf</p> <p>Internal Audit and Compliance Attestation https://www.loto.com.ph/sites/default/files/Internal%20Audit%20and%20Compliance%20Attestation-%20LOTO.pdf</p>	
<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).</p>	<p>Compliant</p>	<p><i>Provide link or reference to where this is contained in the Annual Report.</i></p> <p>SEC Form 17A (Annual Report) 2022, p. 30 https://www.loto.com.ph/sites/default/files/POSC%20ANNUAL%20REPORT%202022_0.pdf</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

<p>1. Audit Committee has a robust process for approving and recommending the appointment, reappointment, removal, and fees of the external auditors.</p>	<p>Compliant</p>	<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>Manual on Corporate Governance, p. 27, Item 2.18.3.2, p. 25</p>	
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		https://www.loto.com.ph/sites/default/files/2022%20Revised%20Manual%20C.G.pdf Audit Committee Charter https://www.loto.com.ph/sites/default/files/2022-02-09%20Audit%20Committee%20Charter_0.pdf									
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>Percentage of shareholders that ratified External Auditor's appointment</p> <table border="1"> <thead> <tr> <th>AGENDA ITEM</th> <th>VOTES IN FAVOR</th> <th>VOTES AGAINST</th> <th>ABSTAIN</th> </tr> </thead> <tbody> <tr> <td>Appointment of Reyes Tacandong & Co. as External Auditor for 2022</td> <td>714,906,770 (79.85% of Total Outstanding Shares)</td> <td>0</td> <td>0</td> </tr> </tbody> </table> <p>Minutes of 2022 ASM, draft https://www.loto.com.ph/sites/default/files/ASM%202022%20DRAFT%20MINUTE_S.pdf</p> <p>Audit Committee Charter https://www.loto.com.ph/sites/default/files/2022-02-09%20Audit%20Committee%20Charter_0.pdf (720,199,850 votes in favor 100%)</p> <p>Results of the 2022 ASM https://www.loto.com.ph/sites/default/files/5.27.22%20Results%20of%20Annual%20or%20Special%20Stockholders%27%20Meeting%201.pdf</p>	AGENDA ITEM	VOTES IN FAVOR	VOTES AGAINST	ABSTAIN	Appointment of Reyes Tacandong & Co. as External Auditor for 2022	714,906,770 (79.85% of Total Outstanding Shares)	0	0	
AGENDA ITEM	VOTES IN FAVOR	VOTES AGAINST	ABSTAIN								
Appointment of Reyes Tacandong & Co. as External Auditor for 2022	714,906,770 (79.85% of Total Outstanding Shares)	0	0								
3. For removal of the external auditor, the reasons for removal or change are	Compliant	<p><i>Provide information on or link/reference to a document containing the company's</i></p>									

<p>disclosed to the regulators and the public through the company website and required disclosures.</p>		<p><i>reason for removal or change of external auditor.</i> Not applicable.</p> <p>The External Auditor for 2022 is Reyes Tacandong & Co. as approved by the stockholders during the May 27, 2022 ASM.</p> <p>Results of the 2022 ASM https://www.loto.com.ph/sites/default/files/5.27.22%20Results%20of%20Annual%20or%20Special%20Stockholders%27%20Meeting%202.pdf</p> <p>DIS for 2023 ASM, p. 14-15 https://www.loto.com.ph/sites/default/files/FINAL%20POSC_2023%20ASM_Definitive%2020IS_04262023%20and%20attachments%2026apr23_Redacted.pdf</p> <p>DIS for the 2022 ASM, pp. 14-15 https://www.loto.com.ph/sites/default/files/4.27.22%20Information%20Statement%202.pdf</p>	
Supplement to Recommendation 9.1			
<p>1. Company has a policy of rotating the lead audit partner every five years.</p>	<p>Compliant</p>	<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>External Auditor Selection, Appointment and Rotation Policy https://www.loto.com.ph/sites/default/files/External%20Auditor%20Selection%2</p>	

		C%20Appointment%20and%20Rotation%20Policy_0.pdf SEC Form 17A (Annual Report), pp. 17-18 https://www.loto.com.ph/sites/default/files/POSC%20ANNUAL%20REPORT%20022_0.pdf	
Recommendation 9.2			
1. Audit Committee Charter includes the Audit Committee's responsibility on: <ul style="list-style-type: none"> i. assessing the integrity and independence of external auditors; ii. exercising effective oversight to review and monitor the external auditor's independence and objectivity; and iii. exercising effective oversight to review and monitor the effectiveness of the audit process, taking into consideration relevant Philippine professional and regulatory requirements. 	Compliant	<i>Provide link/reference to the company's Audit Committee Charter</i> Audit Committee Charter https://www.loto.com.ph/sites/default/files/2022-02-09%20Audit%20Committee%20Charter_0.pdf	
2. Audit Committee Charter contains the Committee's responsibility on reviewing and monitoring the external auditor's suitability and effectiveness on an annual basis.	Compliant	<i>Provide link/reference to the company's Audit Committee Charter</i> Audit Committee Charter https://www.loto.com.ph/sites/default/files/2022-02-09%20Audit%20Committee%20Charter_0.pdf	
Supplement to Recommendations 9.2			
1. Audit Committee ensures that the external auditor is credible, competent and has the ability to understand complex related	Compliant	<i>Provide link/reference to the company's Audit Committee Charter</i>	

party transactions, its counterparties, and valuations of such transactions.		Audit Committee Charter https://www.loto.com.ph/sites/default/files/2022-02-09%20Audit%20Committee%20Charter_0.pdf	
2. Audit Committee ensures that the external auditor has adequate quality control procedures.	Compliant	<i>Provide link/reference to the company's Audit Committee Charter</i> Audit Committee Charter https://www.loto.com.ph/sites/default/files/2022-02-09%20Audit%20Committee%20Charter_0.pdf	
Recommendation 9.3			
1. Company discloses the nature of non-audit services performed by its external auditor in the Annual Report to deal with the potential conflict of interest.	Compliant	<i>Disclose the nature of non-audit services performed by the external auditor, if any</i> SEC Form 17A (Annual Report) 2022 https://www.loto.com.ph/sites/default/files/POSC%20ANNUAL%20REPORT%202022_0.pdf There were no non-audit services performed by Reyes Tacandong & Co. for the period 2021 and 2022.	
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> Audit Committee Charter https://www.loto.com.ph/sites/default/files/2022-02-09%20Audit%20Committee%20Charter_0.pdf	
Supplement to Recommendation 9.3			
1. Fees paid for non-audit services do not outweigh the fees paid for audit services.	Compliant	<i>Provide information on audit and non-audit fees paid.</i>	

		<p>SEC Form 17A (Annual Report), p. 18 https://www.loto.com.ph/sites/default/files/POSC%20ANNUAL%20REPORT%202022_0.pdf</p> <p>Audit Fees: P1,050,000 Tax Services Other Fees: none</p>	
Additional Recommendation to Principle 9			
<p>1. Company's external auditor is duly accredited by the SEC under Group A category.</p>	Compliant	<p><i>Provide information on company's external auditor, such as:</i></p> <ol style="list-style-type: none"> 1. Name of the audit engagement partner; - Belinda B. Fernando 2. Accreditation number; 0207-FR-3 (Group A) 3. Date Accredited; August 29, 2019 4. Expiry date of accreditation; August 28, 2022 5. Name, address, contact number of the audit firm. Reyes Tacandong & Co. BDO Towers Valero 8741 Paseo de Roxas Makati City 1226 Philippines Tel. No. +632 8 982 9100 	
<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).</p>	Compliant	<p><i>Provide information on the following:</i></p> <ol style="list-style-type: none"> 1. Date it was subjected to SOAR inspection, if subjected; November 23 to December 16, 2020 2. Name of the Audit firm: <u>Reyes Tacandong & Co.</u> 3. Members of the engagement team inspected by the SEC. – 	

Arthur Vinson Ong - Partner
Laydel B. Balaquidan and Aura
Vera Reyes -
Managers

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

Recommendation 10.1

<p>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.</p>	<p>Compliant</p>	<p><i>Disclose or provide link on the company's policies and practices on the disclosure of non-financial information, including EESG issues.</i></p> <p>Sustainability Report, SEC Form 17A (Annual Report) for 2022 https://www.loto.com.ph/sites/default/files/POSC%20ANNUAL%20REPORT%202022_0.pdf</p> <p>https://www.loto.com.ph/sustainability</p> <p>Revised Manual on Corporate Governance https://www.loto.com.ph/sites/default/files/2022%20Revised%20Manual%20CG.pdf</p>	
<p>2. Company adopts a globally recognized standard/framework in reporting sustainability and non-financial issues.</p>	<p>Compliant</p>	<p><i>Provide link to Sustainability Report, if any. Disclose the standards used.</i></p> <p>Sustainability Report as Annex to the SEC Form 17A (Annual Report) for 2022 https://www.loto.com.ph/sites/default/files/POSC%20ANNUAL%20REPORT%202022_0.pdf</p> <p>Standard used for the 2022 Sustainability Report: GRI</p>	

Principle 11: The company should maintain a comprehensive and cost-efficient communication channel for disseminating relevant information. This channel is crucial for informed decision-making by investors, stakeholders and other interested users.			
Recommendation 11.1			
1. Company has media and analysts' briefings as channels of communication to ensure the timely and accurate dissemination of public, material and relevant information to its shareholders and other investors.	Compliant	<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.). Provide links, if any.</i></p> <p>Website, Quarterly Reporting https://www.loto.com.ph/sites/default/files/2022-03%20PLC%20-%20Presentation%20to%20Investors.pdf</p> <p>Company Website https://www.loto.com.ph/investor-relations/disclosures/financial-reports</p>	
Supplemental to Principle 11			
1. Company has a website disclosing up-to-date information on the following:		<p><i>Provide link to company website</i> https://loto.com.ph/</p>	
a. Financial statements/reports (latest quarterly)	Compliant	<p>Financial Reports https://www.loto.com.ph/investor-relations/disclosures/financial-reports</p>	
b. Materials provided in briefings to analysts and media	Compliant	<p>Investors' Presentation https://www.loto.com.ph/presentation-investors</p>	
c. Downloadable annual report	Compliant		
d. Notice of ASM and/or SSM	Compliant	<p>Annual Report</p>	

e. Minutes of ASM and/or SSM	Compliant	https://www.loto.com.ph/annual-report	
f. Company's Articles of Incorporation and By-Laws	Compliant	<p>SEC Form 17A (Annual Report) for 2022 https://www.loto.com.ph/sites/default/files/POSC%20ANNUAL%20REPORT%202022_0.pdf</p> <p>DIS for the 2023 ASM, p. 1 (Notice of ASM) https://www.loto.com.ph/sites/default/files/FINAL%20POSC_2023%20ASM_Definitive%2020IS_04262023%20and%20attachments%2026apr23_Redacted.pdf</p> <p>DIS for the 2022 ASM, p.1 (Notice of ASM) https://www.loto.com.ph/sites/default/files/4.27.22%20Information%20Statement%20202.pdf</p> <p>https://www.loto.com.ph/notices</p> <p>Minutes of ASM https://www.loto.com.ph/investor-relations/minutes-all-annual-special-stockholders-meetings</p> <p>Minutes of 2022 ASM https://www.loto.com.ph/sites/default/files/ASM%202022%20DRAFT%20MINUTE_S.pdf</p> <p>Articles of Incorporation, 2019 https://www.loto.com.ph/sites/default/files/SEC%20Cert%20of%20of%20Filing%20of%20Amended%20AOI%2028%20Feb%202019_0.pdf</p>	

		<p>By-Laws, 2010 https://www.loto.com.ph/sites/default/files/POSC%20By-Laws%201.27.10.pdf</p> <p>https://www.loto.com.ph/articles-incorporation-laws</p>	
Additional Recommendation to Principle 11			
1. Company complies with SEC-prescribed website template.	Compliant	<p>Company website: https://loto.com.ph/</p>	
Internal Control System and Risk Management Framework			
Principle 12: To ensure the integrity, transparency and proper governance in the conduct of its affairs, the company should have a strong and effective internal control system and enterprise risk management framework.			
Recommendation 12.1			
1. Company has an adequate and effective internal control system in the conduct of its business.	Compliant	<p><i>List quality service programs for the internal audit functions.</i></p> <p>Revised Manual on Corporate Governance, p.34-35 https://www.loto.com.ph/sites/default/files/2022%20Revised%20Manual%20C.G.pdf</p> <p>Internal Audit Charter https://www.loto.com.ph/sites/default/files/2022-02-09%20Internal%20Audit%20Charter_0.pdf</p> <p><i>Indicate frequency of review of the internal control system.</i></p> <p>Quarterly, results of which are regularly reported to the Audit Committee by the Chief Audit Executive.</p>	

		<p>Internal Audit and Compliance Attestation https://www.loto.com.ph/sites/default/files/Internal%20Audit%20and%20Compliance%20Attestation-%20LOTO.pdf</p>	
<p>2. Company has an adequate and effective enterprise risk management framework in the conduct of its business.</p>	<p>Compliant</p>	<p><i>Identify international framework used for Enterprise Risk Management. Provide information or reference to a document containing information on:</i></p> <ol style="list-style-type: none"> 1. <i>company's risk management procedures and processes;</i> 2. <i>key risks the company is currently facing; and</i> 3. <i>how the company manages the key risks.</i> <ol style="list-style-type: none"> 1. Company's risk management procedures and processes https://www.loto.com.ph/corporate-governance/enterprise-risk-management 2. Key risks the company is currently facing SEC Form 17A (Annual Report) for 2022, p. 6 https://www.loto.com.ph/sites/default/files/POSC%20ANNUAL%20REPORT%202022_0.pdf 3. How the company manages the key risks https://www.loto.com.ph/sites/default/files/RISK%20MANAGEMENT%20SYSTEM_0.PDF <p><i>Indicate frequency of review of the enterprise risk management framework.</i></p>	

		Annual of review of the enterprise risk management framework. The ERM Matrices were presented to the Board Risk Oversight Committee in November 2022.	
Supplement to Recommendations 12.1			
<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>	Compliant	<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>The Board designated a Compliance Officer who monitors the progress of the Company's corporate governance initiatives. This is in line with the Board's thrust to ensure adherence to corporate principles and best practices. The Compliance Officer attends ethics and compliance programs provided by regulators and accredited facilitators. These enable the Compliance Officer to identify and reduce instances of violations, prevent the possibility of being sanctioned by the regulators, and help make the company run efficiently.</p> <p>The Compliance Officer is in constant coordination the Legal Counsel, Corporate Secretary, Finance Department, external auditors and other consultants in order to keep abreast with relevant laws and regulations. New issuances are immediately communicated to all other departments, with proper training</p>	

		<p>conducted when necessary. Should there be instances of infractions, the Compliance Officer, promptly addresses these through corrective means.</p> <p>Revised Manual on Corporate Governance, p.7-8 https://www.loto.com.ph/sites/default/files/2022%20Revised%20Manual%20CG.pdf</p> <p>Indicate frequency of review. Annual review.</p>	
Optional: Recommendation 12.1			
<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>	Compliant	<p>Provide information on IT governance process. Information Technology Policy Statement https://www.loto.com.ph/sites/default/files/INFORMATION%20TECHNOLOGY%20POLICY%20STATEMENT_0.pdf</p>	
Recommendation 12.2			
<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>	Compliant	<p>Disclose if the internal audit is in-house or outsourced. If outsourced, identify external firm.</p> <p>Internal Audit is in-house</p>	
Recommendation 12.3			
<p>1. Company has a qualified Chief Audit Executive (CAE) appointed by the Board.</p>	Compliant	<p>Identify the company's Chief Audit Executive (CAE) and provide information on</p>	

		<p><i>or reference to a document containing his/her responsibilities.</i></p> <p>Chief Audit Executive: Anna Josefina G. Esteban</p> <p>During the 2021 and 2022 Organizational Meeting, Ms. Esteban was appointed as the Company's Chief Audit Executive.</p> <p>Results of the 2021 Organizational Meeting https://loto.com.ph/sites/default/files/Results%20of%20Organizational%20Meeting%20of%20Board%20of%20Directors_4.pdf</p> <p>Results of the 2022 Organizational Meeting https://www.loto.com.ph/sites/default/files/5.27.22%20Results%20of%20Organizational%20Meeting%20of%20Board%20of%20Directors%201.pdf</p> <p>The Chief Audit Executive's responsibilities include:</p> <p>a. Provide a regular assessment of the adequacy and effectiveness of the Company's process for controlling its activities and managing its risks in the areas set forth under the mission and scope of work;</p>	
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		<p>b. Report significant issues related to the processes for controlling the activities of the organization, including resolution of such issues and potential improvements to those processes;</p> <p>c. Periodically provide information on the status and results of the annual audit plan and the sufficiency of the internal audit department resources;</p> <p>d. Coordinate with and provide oversight of the other control and monitoring functions (i.e. risk management, compliance, security, legal, environmental and external audit) in the context of internal auditing.</p> <p>e. Report significant governance issues noted in the conduct of internal audit work or as may be brought to its attention by other Company personnel.</p> <p>Internal Audit Charter https://www.loto.com.ph/sites/default/files/2022-02-09%20Internal%20Audit%20Charter_0.pdf</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>Compliant</p>	<p>CAE oversees and is responsible for the internal audit activity of the organization. <u>Audit Committee Charter</u> https://www.loto.com.ph/sites/default/files/2022-02-</p>	

		09%20Audit%20Committee%20Charter_0.pdf Internal Audit Charter https://www.loto.com.ph/sites/default/files/2022-02-09%20Internal%20Audit%20Charter_0.pdf	
3. In case of a fully outsourced internal audit activity, qualified independent executive or senior management personnel is assigned the responsibility for managing the fully outsourced internal audit activity.	Compliant	<i>Identify qualified independent executive or senior management personnel, of applicable.</i> Internal Audit is in-house, and not out-sourced.	
Recommendation 12.4			
1. Company has a separate risk management function to identify, assess and monitor key risk exposures.	Compliant	<i>Provide information on company's risk management function.</i> Revised Manual on Corporate Governance, Board Risk Oversight Committee Charter, p. 27-29 https://www.loto.com.ph/sites/default/files/2022-02-09%20Board%20Risk%20Oversight%20Committee%20Charter_0.pdf Risk Oversight Committee Charter https://www.loto.com.ph/sites/default/files/2022-02-09%20Board%20Risk%20Oversight%20Committee%20Charter_0.pdf	
Supplement to Recommendation 12.4			

<p>1. Company seeks external technical support in risk management when such competence is not available internally.</p>	<p>Compliant</p>	<p><i>Identify source of external technical support, if any.</i> Board Risk Oversight Committee Charter, Outside Advisors, p.3 https://www.loto.com.ph/sites/default/files/2022-02-09%20Board%20Risk%20Oversight%20Committee%20Charter_0.pdf</p>	
Recommendation 12.5			
<p>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).</p>	<p>Compliant</p>	<p><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> SEC Form 17A for 2022, p. 22 https://www.loto.com.ph/sites/default/files/POSC%20ANNUAL%20REPORT%202022_0.pdf</p> <p>Mischel Gabrielle O. Mendoza, Filipino, 36, is the Head of Business Development starting 2022, Apart from strategic planning and business development, she is in charge of monitoring the Company's sustainability efforts and corporate image. She concurrently holds the position of Integrated Management Representative (IMR) and Risk Officer of the Corporation. Prior to this, she served as Marketing, Corporate Planning Specialist, then Administration Division Head until her recent appointment back in Corporate Planning. Ms. Mendoza is also a director of Total Gaming Technologies, Inc., a subsidiary of Pacific Online, as well as</p>	

		director and co-founder of private company JIM Weaver Designs Corporation. She holds a Bachelor's Degree in Management Engineering from Ateneo de Manila University and took certificate courses abroad in both Tsinghua University in China and Josai International University in Japan.	
2. CRO has adequate authority, stature, resources and support to fulfill his/her responsibilities.	Compliant	Chief Risk Officer: Mischel Gabrielle O. Mendoza is also the Head for Business Development of the Company.	
Additional Recommendation to Principle 12			
1. Company's Chief Executive Officer and Chief Audit Executive attest in writing, at least annually, that a sound internal audit, control and compliance system is in place and working effectively.	Compliant	<i>Provide link to CEO and CAE's attestation.</i> Internal Audit and Compliance Attestation for 2022 https://www.loto.com.ph/sites/default/files/Internal%20Audit%20and%20Compliance%20Attestation-%20LOTO.pdf	
Cultivating a Synergic Relationship with Shareholders			
Principle 13: The company should treat all shareholders fairly and equitably, and also recognize, protect and facilitate the exercise of their rights.			
Recommendation 13.1			
1. Board ensures that basic shareholder rights are disclosed in the Manual on Corporate Governance.	Compliant	<i>Provide link or reference to the company's Manual on Corporate Governance where shareholders' rights are disclosed.</i> Revised Manual on Corporate Governance, p. 37-40 https://www.loto.com.ph/sites/default/files/2022%20Revised%20Manual%20CG.pdf	

<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> https://www.loto.com.ph/corporate-governance/governance-pacific-online-0</p> <p>Revised Manual on Corporate Governance, p.37-40 https://www.loto.com.ph/sites/default/files/2022%20Revised%20Manual%20C.G.pdf</p>	
Supplement to Recommendation 13.1			
<p>1. Company's common share has one vote for one share.</p>	<p>Compliant</p>	<p>DIS for 2022 ASM, Voting Securities, p. 3 DIS for 2022 ASM, Guidelines for Participating via Remote Communication and Voting in Absentia, p. 5-7 of pdf https://www.loto.com.ph/sites/default/files/4.27.22%20Information%20Statement%202.pdf</p> <p>DIS for 2023 ASM, Voting Securities, p. 3 https://www.loto.com.ph/sites/default/files/FINAL%20POSC_2023%20ASM_Definitive%2020IS_04262023%20and%20attachments%2026apr23_Redacted.pdf</p>	
<p>2. Board ensures that all shareholders of the same class are treated equally with respect to voting rights, subscription rights and transfer rights.</p>	<p>Compliant</p>	<p><i>Provide information on all classes of shares, including their voting rights, if any.</i> Revised Manual on Corporate Governance, p. 37 https://www.loto.com.ph/sites/default/files/2022%20Revised%20Manual%20C.G.pdf</p>	
<p>3. Board has an effective, secure, and efficient voting system.</p>	<p>Compliant</p>	<p><i>Provide link to voting procedure. Indicate if voting is by poll or show of hands.</i></p>	

		<p>DIS for 2022 ASM, Guidelines for Participating via Remote Communication and Voting in Absentia, p. 5-7 of pdf https://www.loto.com.ph/sites/default/files/4.27.22%20Information%20Statement%202.pdf</p> <p>DIS for 2023 ASM, Guidelines for Participating via Remote Communication and Voting in Absentia, p. 5-7 of pdf https://www.loto.com.ph/sites/default/files/FINAL%20POSC_2023%20ASM_Definitive%2001S_04262023%20and%20attachments%2026apr23_Redacted.pdf</p> <p>For the 2022 ASM, voting in absentia and participation thru remote communication were done due to the community quarantine while in effect.</p> <p>The Board of Directors adopted a resolution allowing stockholders to participate, and to exercise their right to vote, via remote communication or in absentia. Voting will be made through a secure online voting facility accessible only to verified stockholders to protect the integrity and secrecy of votes cast.</p>	
<p>4. Board has an effective shareholder voting mechanism such as supermajority or "majority of minority" requirements to protect minority shareholders against actions of controlling shareholders.</p>	<p>Non-Compliant</p>	<p><i>Provide information on shareholder voting mechanisms such as supermajority or "majority of minority", if any.</i></p> <p>Cumulative voting process is in place.</p>	<p>The Company has not adopted special shareholder voting mechanisms, such as supermajority or "majority of minority" requirements. The Company just adheres to the voting requirements for corporate actions under the</p>

			Corporation Code of the Philippines. It must also be emphasized, however, that the Company has not taken any corporate acts requiring special protective mechanisms for the benefit of its minority shareholders.
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 evaluation).</i></p> <p>The Board of Directors in April 2022 approved the final version of the revised Manual on Corporate Governance. It contains, among others, the approval for the shareholders to call a special shareholders' meeting and submit a proposal for consideration at the special or general meeting.</p> <p>Revised Manual on Corporate Governance, Item 5.3.3, p.38 https://www.loto.com.ph/sites/default/files/2022%20Revised%20Manual%20CG.pdf</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>Revised Manual on Corporate Governance, p. 37-40 https://www.loto.com.ph/sites/default/files/2022%20Revised%20Manual%20CG.pdf</p>	

<p>7. Company has a transparent and specific dividend policy.</p>	<p>Compliant</p>	<p><i>Provide information on or link/reference to the company's Dividend Policy.</i></p> <p>Dividend Policy Statement https://www.loto.com.ph/sites/default/files/2019%20DIVIDEND%20POLICY%20STATEMENT_1.pdf</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>There were no cash or stock dividends paid in 2022.</p> <p>On February 28 2023, the Company declared cash dividends of P0.10 per share, to shareholders as of record on March 15, 2023, and paid in full on March 28, 2023 or 30 days after declaration/approval of the Board.</p>	
Optional: Recommendation 13.1			
<p>1. Company appoints an independent party to count and/or validate the votes at the Annual Shareholders' Meeting.</p>	<p>Compliant</p>	<p><i>Identify the independent party that counted/validated the votes at the ASM, if any.</i></p> <p>Ms. Cristina Castro Naguit</p> <p>Minutes of the 2022 ASM, draft</p>	

		https://www.loto.com.ph/sites/default/files/ASM%202022%20DRAFT%20MINUTE S.pdf	
Recommendation 13.2			
1. Board encourages active shareholder participation by sending the Notice of Annual and Special Shareholders' Meeting with sufficient and relevant information at least 28 days before the meeting.	Compliant	<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>At least 28 days Issued: April 28, 2023 ASM: May 26, 2023 DIS for the 2023 ASM https://www.loto.com.ph/sites/default/files/FINAL%20POSC%202023%20ASM%20Definitive%20IS%2004262023%20and%20attachments%2026apr23%20Redacted.pdf</p> <p>At least 28 days Issued: April 27, 2022 ASM: May 27, 2022 DIS for the 2022 ASM https://www.loto.com.ph/sites/default/files/4.27.22%20Information%20Statement%20.pdf</p> <p><i>Provide link to the Agenda included in the company's Information Statement (SEC Form 20-IS)</i></p> <p>DIS for the 2023 ASM, p.2 https://www.loto.com.ph/sites/default/files/FINAL%20POSC%202023%20ASM%20Definitive%20IS%2004262023%20and%20attachments%2026apr23%20Redacted.pdf</p>	

		<p>DIS for the 2022 ASM, p.2 https://www.loto.com.ph/sites/default/files/4.27.22%20Information%20Statement%202.pdf</p>	
Supplemental to Recommendation 13.2			
1. Company's Notice of Annual Stockholders' Meeting contains the following information:		<p>DIS for the 2023 ASM, p.1 https://www.loto.com.ph/sites/default/files/FINAL%20POSC_2023%20ASM_Definitive%2020IS_04262023%20and%20attachments%2026apr23_Redacted.pdf</p> <p>DIS for the 2022 ASM, p.1 https://www.loto.com.ph/sites/default/files/4.27.22%20Information%20Statement%202.pdf</p>	
a. The profiles of directors (i.e., age, academic qualifications, date of first appointment, experience, and directorships in other listed companies)	Compliant	<p>DIS for the 2023 ASM, pp. 6-8 https://www.loto.com.ph/sites/default/files/FINAL%20POSC_2023%20ASM_Definitive%2020IS_04262023%20and%20attachments%2026apr23_Redacted.pdf</p> <p>DIS for the 2022 ASM, pp. 6-8 https://www.loto.com.ph/sites/default/files/4.27.22%20Information%20Statement%202.pdf</p>	
b. Auditors seeking appointment/re-appointment	Compliant	<p>DIS for the 2023 ASM, pp. 2, 14-15 https://www.loto.com.ph/sites/default/files/FINAL%20POSC_2023%20ASM_Definitive%2020IS_04262023%20and%20attachments%2026apr23_Redacted.pdf</p> <p>DIS for the 2022 ASM, pp. 2, 14-15</p>	

		https://www.loto.com.ph/sites/default/files/4.27.22%20Information%20Statement%202.pdf	
c. Proxy documents	Compliant	<p>DIS for the 2023 ASM, p. 3 https://www.loto.com.ph/sites/default/files/FINAL%20POSC_2023%20ASM_Definitive%2020IS_04262023%20and%20attachments%2026apr23_Redacted.pdf</p> <p>DIS for the 2022 ASM, p. 3 https://www.loto.com.ph/sites/default/files/4.27.22%20Information%20Statement%202.pdf</p> <p>2023 ASM Proxy Form https://www.loto.com.ph/investor-relations/proxy-forms</p>	
Optional: Recommendation 13.2			
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>DIS for the 2023 ASM, p. 2 https://www.loto.com.ph/sites/default/files/FINAL%20POSC_2023%20ASM_Definitive%2020IS_04262023%20and%20attachments%2026apr23_Redacted.pdf</p> <p>DIS for the 2022 ASM, p. 2 https://www.loto.com.ph/sites/default/files/4.27.22%20Information%20Statement%202.pdf</p>	
Recommendation 13.3			
1. Board encourages active shareholder participation by making the result of the votes taken during the most recent	Compliant	<i>Provide information or reference to a document containing information on all relevant questions raised and answers</i>	

<p>Annual or Special Shareholders' Meeting publicly available the next working day.</p>		<p><i>during the ASM and special meeting and the results of the vote taken during the most recent ASM/SSM.</i></p> <p><i>Minutes of the 2022 ASM (draft)</i> https://www.loto.com.ph/sites/default/files/ASM%202022%20DRAFT%20MINUTE%20S.pdf</p>	
<p>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.</p>	<p>Compliant</p>	<p><i>Provide link to minutes of meeting in the company website. Indicate voting results for all agenda items, including the approving, dissenting and abstaining votes. Indicate also if the voting on resolutions was by poll. Include whether there was opportunity to ask questions and the answers given, if any.</i></p> <p><i>Minutes of the 2022 ASM (draft)</i> https://www.loto.com.ph/sites/default/files/ASM%202022%20DRAFT%20MINUTE%20S.pdf</p>	
<p>Supplement to Recommendation 13.3</p>			
<p>1. Board ensures the attendance of the external auditor and other relevant individuals to answer shareholders questions during the ASM and SSM.</p>	<p>Compliant</p>	<p><i>Indicate if the external auditor and other relevant individuals were present during the ASM and/or special meeting.</i></p> <p><i>External and Internal Auditors as well as other Company Officers were in attendance during the virtual ASM</i></p> <p><i>Minutes of the 2022 ASM (draft)</i> https://www.loto.com.ph/sites/default/files/ASM%202022%20DRAFT%20MINUTE%20S.pdf</p>	

Recommendation 13.4			
1. Board makes available, at the option of a shareholder, an alternative dispute mechanism to resolve intra-corporate disputes in an amicable and effective manner.	Compliant	<i>Provide details of the alternative dispute resolution made available to resolve intra-corporate disputes.</i>	
		<p>Revised Manual on Corporate Governance, pp. 39-40 https://www.loto.com.ph/sites/default/files/2022%20Revised%20Manual%20CG.pdf</p> <p>Code of Business Conduct and Ethics, p. 3 https://www.loto.com.ph/sites/default/files/2019%20CODE%20OF%20BUSINESS%20CONDUCT%20AND%20ETHICS_0.PDF</p>	
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>	
		<p>Revised Manual on Corporate Governance, pp. 39-40 https://www.loto.com.ph/sites/default/files/2022%20Revised%20Manual%20CG.pdf</p>	
Recommendation 13.5			
1. Board establishes an Investor Relations Office (IRO) to ensure constant engagement with its shareholders.	Compliant	<i>Disclose the contact details of the officer/office responsible for investor relations:</i>	
		<p>SEC Form 17A (Annual Report) 2022, p. 32 https://www.loto.com.ph/sites/default/files/POSC%20ANNUAL%20REPORT%202022_0.pdf</p>	

		<p>Disclose the contact details of the officer/office responsible for investor relations, such as:</p> <p>Name of the person: Grace L. Gatdula</p> <p>Telephone number: +63 2 8584-1700</p> <p>Fax number: +63 2 8571-7464</p> <p>E-mail addresses: contactus@pacificonline.com.ph glgatdula@pacificonline.co.ph</p> <p>Revised Manual on Corporate Governance, pp. 38-39 https://www.loto.com.ph/sites/default/files/2022%20Revised%20Manual%20G.pdf</p>	
2. IRO is present at every shareholder's meeting.	Compliant	<p>https://www.loto.com.ph/sites/default/files/2021%20ASM%20MINUTES.pdf</p> <p>IRO was present during the last Virtual ASM</p>	
Supplemental Recommendations to Principle 13			
1. Board avoids anti-takeover measures or similar devices that may entrench ineffective management or the existing controlling shareholder group	Compliant	<p><i>Provide information on how anti-takeover measures or similar devices were avoided by the board, if any.</i></p> <p>Take-over is not possible as the public float is only at 35.78%.</p>	

<p>2. Company has at least thirty percent (30%) public float to increase liquidity in the market.</p>	<p>Compliant</p>	<p><i>Indicate the company's public float.</i></p> <p>Public Ownership Percentage: https://www.loto.com.ph/sites/default/files/Public%20Ownership%20Report_0511.pdf 35.7853% as of March 31, 2023</p> <p>https://www.loto.com.ph/sites/default/files/Public%20Ownership%20Report_21.pdf 35.78% as of December 31, 2022</p>	
Optional: Principle 13			
<p>1. Company has policies and practices to encourage shareholders to engage with the company beyond the Annual Stockholders' Meeting</p>	<p>Compliant</p>	<p><i>Disclose or provide link/reference to policies and practices to encourage shareholders' participation beyond ASM</i></p> <p>Presentation to Investors https://www.loto.com.ph/presentation-investors</p> <p>Shareholders are encouraged to communicate with any of the following in relation to their concern:</p> <p>For governance-related issues or concerns, stakeholders may refer to:</p> <p>Mischel O. Mendoza Business Development Head & Risk Officer 2803 A&B Tektite Towers, Ortigas Center, Pasig City 1605 Tel. No.:(632) 8584-1700</p>	

		<p>Email: momendoza@pacificonline.com.ph</p> <p>For Investor Relations, stakeholders may contact:</p> <p>Grace L. Gatdula Administration Division Head & Contact for Investor Relations 2803 A&B Tektite Towers, Ortigas Center, Pasig City 1605 Tel. No.:(632) 8584-1700 Email: glgatdula@pacificonline.co.ph</p> <p>Stakeholders may also send their suggestions through: https://www.loto.com.ph/contact-us</p> <p>https://www.loto.com.ph/sites/default/files/2022%20Revised%20Manual%20CG.pdf</p> <p>SEC Form 17A Annual Report for 2022, p.32 https://www.loto.com.ph/sites/default/files/POSC%20ANNUAL%20REPORT%202022_0.pdf</p>	
<p>2. Company practices secure electronic voting in absentia at the Annual Shareholders' Meeting.</p>	<p>Compliant</p>	<p>PSE and SEC Filings https://www.loto.com.ph/investor-relations/disclosures/pse-sec-filings</p> <p>Definitive Information Statement for 2023 Annual Stockholders' Meeting, (p. 1, p. 5-7 of PDF) https://www.loto.com.ph/sites/default/files/FINAL%20POSC_2023%20ASM_Defi</p>	

		nitive%2020IS_04262023%20and%20attachments%2026apr23_Redacted.pdf 2022 Information Statement, p. 1, p. 5-7 of PDF https://www.loto.com.ph/sites/default/files/4.27.22%20Information%20Statement%202.pdf	
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Duties to Stakeholders

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

Recommendation 14.1

1. Board identifies the company's various stakeholders and promotes cooperation between them and the company in creating wealth, growth and sustainability.	Compliant	<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> Revised Manual on Corporate Governance, pp. 37-40 https://www.loto.com.ph/sites/default/files/2022%20Revised%20Manual%20C.G.pdf Whistle Blowing Policy https://www.loto.com.ph/sites/default/files/WHISTLE%20BLOWING%20POLICY%204.11.23.pdf Code of Business Conduct and Ethics https://www.loto.com.ph/sites/default/files/2019%20CODE%20OF%20BUSINESS%20CONDUCT%20AND%20ETHICS_0.PDF	
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		<p>Policy for Purchase of Goods and Services https://www.loto.com.ph/sites/default/files/POLICY%20FOR%20PURCHASE%20OF%20GOODS%20AND%20SERVICES_1.pdf</p> <p>Policy on Accreditation and Performance Evaluation of External Providers https://www.loto.com.ph/sites/default/files/ACCREDITATION%20AND%20PERFORMANCE%20EVALUATION%20OF%20EXTERNAL%20PROVIDERS%20_1.pdf</p> <p>Employee Welfare https://www.loto.com.ph/sites/default/files/Employee%20Welfare%202022_0.pdf</p> <p>Orientations and Trainings https://www.loto.com.ph/sites/default/files/Orientation%20and%20Training%202022_0.pdf</p>	
Recommendation 14.2			
<p>1. Board establishes clear policies and programs to provide a mechanism on the fair treatment and protection of stakeholders.</p>	<p>Compliant</p>	<p><i>Identify policies and programs for the protection and fair treatment of company's stakeholders.</i></p> <p>Manual on Corporate Governance, pp. 37-40 https://www.loto.com.ph/sites/default/files/2022%20Revised%20Manual%20CG.pdf</p> <p>Corporate Policies</p>	

		<p>https://www.loto.com.ph/corporate-governance/corporate-policies</p> <p>2022 Sustainability Report, pp. 18-21 https://www.loto.com.ph/sites/default/files/POSC%20SR%202022%20FINAL%20%28part%203%29_0.pdf</p> <p>For governance-related issues or concerns, stakeholders may refer to:</p> <p>Mischel O. Mendoza Business Development Head & Risk Officer 2803 A&B Tektite Towers, Ortigas Center, Pasig City 1605 Tel. No.:(632) 8584-1700 Email: momendoza@pacificonline.com.ph</p> <p>For Investor Relations, stakeholders may contact:</p> <p>Grace L. Gatdula Administration Division Head & Contact for Investor Relations 2803 A&B Tektite Towers, Ortigas Center, Pasig City 1605 Tel. No.:(632) 8584-1700 Email: glgatdula@pacificonline.co.ph</p>	
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Recommendation 14.3

<p>1. Board adopts a transparent framework and process that allow stakeholders to communicate with the company and to</p>	<p>Compliant</p>	<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</i></p>	
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<p>obtain redress for the violation of their rights.</p>		<p><i>complaints for possible violation of their rights.</i></p> <p>For governance-related issues or concerns, stakeholders may refer to:</p> <p>Mischel O. Mendoza Business Development Head & Risk Officer 2803 A&B Tektite Towers, Ortigas Center, Pasig City 1605 Tel. No.:(632) 8584-1700 Email: momendoza@pacificonline.com.ph</p> <p>For Investor Relations, stakeholders may contact:</p> <p>Grace L. Gatdula Administration Division Head & Contact for Investor Relations 2803 A&B Tektite Towers, Ortigas Center, Pasig City 1605 Tel. No.:(632) 8584-1700 Email: glgatdula@pacificonline.co.ph</p> <p>For Whistle-blowing related matters, concerns may be sent to:</p> <p>The President or his designee through email address: whistleblower@pacificonline.com.ph</p> <p>Whistle-blowing Policy https://www.loto.com.ph/sites/default/files/WHISTLE%20BLOWING%20POLICY%204.11.23.pdf</p>	
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Supplement to Recommendation 14.3

<p>1. Company establishes an alternative dispute resolution system so that conflicts and differences with key stakeholders is settled in a fair and expeditious manner.</p>	<p>Compliant</p>	<p><i>Provide information on the alternative dispute resolution system established by the company.</i></p> <p>Alternative Dispute Resolution</p> <p>It is the responsibility of the Board of Directors to establish an alternative dispute resolution system to settle intra-corporate disputes in an amicable and effective manner.</p> <p>As such, the Board of Directors may engage the services of a neutral third party to assist in the resolution of issues between the Company and stockholders, third parties and regulatory authorities. The alternative dispute resolution system may include arbitration, mediation, conciliation, early neutral evaluation, mini-trial, or any combination thereof, as the Company and the circumstances sees fit.</p> <p>Conflict Resolution https://www.loto.com.ph/sites/default/files/2019%20CODE%20OF%20BUSINESS%20CONDUCT%20AND%20ETHICS_0.PDF</p> <p>Manual on Corporate Governance, pp. 39-40 https://www.loto.com.ph/sites/default/files/2022%20Revised%20Manual%20C.G.pdf</p>	
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Additional Recommendations to Principle 14			
<p>1. Company does not seek any exemption from the application of a law, rule or regulation especially when it refers to a corporate governance issue. If an exemption was sought, the company discloses the reason for such action, as well as presents the specific steps being taken to finally comply with the applicable law, rule or regulation.</p>	Compliant	<p><i>Disclose any request for exemption by the company and the reason for the request.</i></p> <p>No such request for exemptions for the period covered.</p>	
<p>2. Company respects intellectual property rights.</p>	Compliant	<p><i>Provide specific instances, if any.</i></p> <p>The Business Development Department is in constant coordination with the Legal Department to monitor registration of logos, business names etc. of Pacific Online and subsidiaries with the Intellectual Property Office of the Philippines (IPOP HL). The logo and name of the Company are currently registered with the IPOP HL.</p> <p>In the past, the Company requested its Legal Department to verify if the proposed name for its project has a pending or current registration with the IPOP HL. Actual use of the proposed name shall have the clearance of the Legal Department as verified with IPOP HL prior to its actual use.</p>	
Optional: Principle 14			
<p>1. Company discloses its policies and practices that address customers' welfare</p>	Compliant	<p><i>Identify policies, programs and practices that address customers' welfare or provide link/reference to a document containing the same.</i></p>	

		<p>Corporate Policies https://www.loto.com.ph/corporate-governance/corporate-policies</p> <p>Whistle Blowing Policy https://www.loto.com.ph/sites/default/files/WHISTLE%20BLOWING%20POLICY%204.11.23.pdf</p> <p>The Company is committed to the highest standards of ethics in compliance with all applicable laws, rules, and regulations as it conducts its business as a good corporate citizen. This commitment and standard of conduct governs POSC's relationships with its customers, suppliers, shareholders, competitors, the communities it operates in, and with employees themselves at every level of the organization.</p> <p>For governance-related issues or concerns, stakeholders may refer to:</p> <p>Mischel O. Mendoza Business Development Head & Risk Officer 2803 A&B Tektite Towers, Ortigas Center, Pasig City 1605 Tel. No.:(632) 8584-1700 Email: momendoza@pacificonline.com.ph</p> <p>For Investor Relations, stakeholders may contact:</p>	
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		<p>Grace L. Gatdula Administration Division Head & Contact for Investor Relations 2803 A&B Tektite Towers, Ortigas Center, Pasig City 1605 Tel. No.:(632) 8584-1700 Email: glgatdula@pacificonline.co.ph</p> <p>SEC Form 17A (Annual Report) 2022. P.32 https://www.loto.com.ph/sites/default/files/POSC%20ANNUAL%20REPORT%202022_0.pdf</p>	
<p>2. Company discloses its policies and practices that address supplier/contractor selection procedures</p>	<p>Compliant</p>	<p><i>Identify policies, programs and practices that address supplier/contractor selection procedures or provide link/reference to a document containing the same.</i></p> <p>Policy for Purchase of Goods and Services https://www.loto.com.ph/sites/default/files/POLICY%20FOR%20PURCHASE%20OF%20GOODS%20AND%20SERVICES_1.pdf</p> <p>Policy on Accreditation and Performance Evaluation of External Providers https://www.loto.com.ph/sites/default/files/ACCREDITATION%20AND%20PERFORMANCE%20EVALUATION%20OF%20EXTERNAL%20PROVIDERS%201.pdf</p> <p>Corporate Policies</p>	

		https://www.loto.com.ph/corporate-governance/corporate-policies	
Principle 15: A mechanism for employee participation should be developed to create a symbiotic environment, realize the company's goals and participate in its corporate governance processes.			
Recommendation 15.1			
<p>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.</p>	<p>Compliant</p>	<p><i>Provide information on or link/reference to company policies programs and procedures that encourage employee participation.</i></p> <p>https://www.loto.com.ph/corporate-governance/corporate-policies</p> <p>Sustainability Reports https://www.loto.com.ph/sustainability</p> <p>Employee Welfare and Trainings and Orientation participated in by the employees</p> <p>2022 Sustainability Report, p. 20-21 https://www.loto.com.ph/sites/default/files/POSC%20SR%202022%20FINAL%20%28part%203%29_0.pdf</p> <p>Employee Welfare https://www.loto.com.ph/sites/default/files/Employee%20Welfare%202022_0.pdf</p> <p>Orientations and Trainings https://www.loto.com.ph/sites/default/files/Orientation%20and%20Training%202022_0.pdf</p> <p>The Company prioritizes employee welfare, recognizes and rewards high</p>	

		<p>performers, and provides a healthy and safe working environment and equal opportunities regardless of age, race, gender and religion. The Company aspires to be an employer of choice offering competitive compensation and benefits, career growth, training and volunteering opportunities, work-life balance, engagement programs, among others.</p> <p>Pacific Online endeavors to create and provide many opportunities for career development and advancement to its directors, officers and employees. There are available training and orientation programs for all career levels and functions.</p>	
Supplement to Recommendation 15.1			
<p>1. Company has a reward/compensation policy that accounts for the performance of the company beyond short-term financial measures.</p>	<p>Compliant</p>	<p><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></p> <p>Performance is measured against defined targets, which are based on both financial and non-financial indicators of progress towards the short and long-term goals of the Company.</p> <p>Employee compensation and rewards are determined based on the individual performance of the employee and overall Company performance.</p>	

		<p>An Employee Stock Option Plan (ESOP) is in place, which awards and incentivizes employees, at the same time aligns their interests with those of the shareholders.</p> <p>SEC Form 17A Annual Report for 2022, p. 23 https://www.loto.com.ph/sites/default/files/POSC%20ANNUAL%20REPORT%202022_0.pdf</p>	
<p>2. Company has policies and practices on health, safety and welfare of its employees.</p>	<p>Compliant</p>	<p><i>Disclose and provide information on policies and practices on health, safety and welfare of employees. Include statistics and data, if any.</i></p> <p>Corporate Policies https://www.loto.com.ph/corporate-governance/corporate-policies</p> <p>The Company has established an Occupational Health and Safety (OSH) Committee and appointed Safety Officers.</p> <p>Employee Welfare https://www.loto.com.ph/sites/default/files/Employee%20Welfare%202022_0.pdf</p> <p>Company-wide drills and trainings are implemented regularly.</p> <p>2022 Sustainability Report, pp. 18-21</p>	

		https://www.loto.com.ph/sites/default/files/POSC%20SR%202022%20FINAL%20%28part%203%29_0.pdf	
<p>3. Company has policies and practices on training and development of its employees.</p>	<p>Compliant</p>	<p><i>Disclose and provide information on policies and practices on training and development of employees. Include information on any training conducted or attended.</i></p> <p>Corporate Policies https://www.loto.com.ph/corporate-governance/corporate-policies</p> <p>Employee Welfare https://www.loto.com.ph/sites/default/files/Employee%20Welfare%202022_0.pdf</p> <p>Orientations and Trainings https://www.loto.com.ph/sites/default/files/Orientation%20and%20Training%202022_0.pdf</p> <p><i>View statistics and data on Employee Welfare and Trainings and Orientation participated in by the employees</i></p> <p>2022 Sustainability Report, pp. 20-21 https://www.loto.com.ph/sites/default/files/POSC%20SR%202022%20FINAL%20%28part%203%29_0.pdf</p>	
<p>Recommendation 15.2</p>			

<p>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.</p>	<p>Compliant</p>	<p><i>Identify or provide link/reference to the company's policies, programs and practices on anti-corruption.</i></p> <p>Whistle Blowing Policy https://www.loto.com.ph/sites/default/files/WHISTLE%20BLOWING%20POLICY%204.11.23.pdf</p> <p>Code of Business Conduct https://www.loto.com.ph/sites/default/files/2019%20CODE%20OF%20BUSINESS%20CONDUCT%20AND%20ETHICS_0.PDF</p>	
<p>2. Board disseminates the policy and program to employees across the organization through trainings to embed them in the company's culture.</p>	<p>Compliant</p>	<p><i>Identify how the board disseminated the policy and program to employees across organization.</i></p> <p>The Board, through the CG Committee, Human Resources Department and the Compliance Officer, disseminates policies to employees thru email blasts, conducting training sessions and during onboarding for new hires. The policies are also posted on LOTO corporate website, and updated as necessary.</p> <p>Corporate Policies https://www.loto.com.ph/corporate-governance/corporate-policies</p> <p>Code of Business Conduct https://www.loto.com.ph/sites/default/files/2019%20CODE%20OF%20BUSINESS%20CONDUCT%20AND%20ETHICS_0.PDF</p>	

Supplement to Recommendation 15.2			
<p>1. Company has clear and stringent policies and procedures on curbing and penalizing employee involvement in offering, paying and receiving bribes.</p>	Compliant	<p><i>Identify or provide link/reference to the company policy and procedures on penalizing employees involved in corrupt practices.</i></p> <p>Whistle Blowing Policy https://www.loto.com.ph/sites/default/files/WHISTLE%20BLOWING%20POLICY%204.11.23.pdf</p> <p>https://www.loto.com.ph/corporate-governance/corporate-policies</p> <p>Code of Business Conduct https://www.loto.com.ph/sites/default/files/2019%20CODE%20OF%20BUSINESS%20CONDUCT%20AND%20ETHICS_0.PDF</p> <p><i>Include any finding of violations of the company policy.</i></p> <p>No violations for the period covered.</p>	
Recommendation 15.3			
<p>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</p>	Compliant	<p><i>Disclose or provide link/reference to the company whistle-blowing policy and procedure for employees.</i></p> <p>Whistle Blowing Policy https://www.loto.com.ph/sites/default/files/WHISTLE%20BLOWING%20POLICY%204.11.23.pdf</p>	

		<p><i>Indicate if the framework includes procedures to protect the employees from retaliation.</i></p> <p>Anyone who in good faith reports a violation of the Code or policies, or law shall not be retaliated upon or suffer harassment or adverse employment consequence. Belle expressly disapproves of acts of retaliation, intimidation and other harmful actions.</p> <p><i>Provide contact details to report any illegal or unethical behavior.</i></p> <p>Report to: The President or his designee Email Address: whistleblower@pacificonline.com.ph</p>	
<p>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.</p>	<p>Compliant</p>	<p>Whistle Blowing Policy https://www.loto.com.ph/sites/default/files/WHISTLE%20BLOWING%20POLICY%204.11.23.pdf</p> <p>The Code of Business Conduct, Code of Discipline, and other relevant rules and regulations, shall serve as guide in determining the penalties and sanctions to be imposed by HR where violations are proven and validated by the Internal Audit Group.</p> <p>The principle of due process shall be observed in the handling of all cases.</p>	

		<p>The Corporate Governance Committee, as it is in charge of monitoring compliance with the Code of Conduct and Business Ethics, applicable laws, rules and regulations, etc., shall be informed of all such complaints or reports and their status to be rendered by the Ethics Committee. This Committee is composed of the Heads of Governance, Internal Audit and Human Resources which is tasked to further investigate a report if such is well substantiated. Concerns complaints may be sent thru whistleblower@pacificonline.com.ph.</p>	
<p>3. Board supervises and ensures the enforcement of the whistleblowing framework.</p>	<p>Compliant</p>	<p><i>Provide information on how the board supervised and ensured enforcement of the whistleblowing framework, including any incident of whistleblowing.</i></p> <p>The Board, through the Corporate Governance Committee and the HRD and Governance departments, supervises and ensures enforcement of the whistle-blowing framework.</p> <p>Reports of violation are sent to the President or his designee. The Ethics Committee is then tasked to conduct investigations of the said allegation. It has also been mandated to acknowledge reports within a reasonable period of time. All complaints shall thereafter be presented to the Board of Directors,</p>	

		<p>which includes sanctions rendered by the Ethics Committee.</p> <p>Since it was released, there are no reported violations of the policies on the Code of Conduct.</p>	
<p>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.</p>			
<p>Recommendation 16.1</p>			
<p>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.</p>	<p>Compliant</p>	<p><i>Provide information or reference to a document containing information on the company's community involvement and environment-related programs.</i></p> <p>Sustainability https://www.loto.com.ph/sustainability</p> <p>2022 Sustainability Report https://www.loto.com.ph/sites/default/files/POSC%20SR%202022%20FINAL%20%28part%203%29%20.pdf</p> <p>Corporate Social Responsibility https://www.loto.com.ph/our-company/corporate-social-responsibility</p>	
<p>Optional: Principle 16</p>			
<p>1. Company ensures that its value chain is environmentally friendly or is consistent with promoting sustainable development</p>	<p>Compliant</p>	<p><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></p>	

		<p>Revised Manual on Corporate Governance https://www.loto.com.ph/sites/default/files/2022%20Revised%20Manual%20C.G.pdf</p> <p>Sustainability https://www.loto.com.ph/sustainability</p> <p>2022 Sustainability Report https://www.loto.com.ph/sites/default/files/POSC%20SR%202022%20FINAL%20%28part%203%29_0.pdf</p> <p>Corporate Social Responsibility https://www.loto.com.ph/our-company/corporate-social-responsibility</p>	
<p>2. Company exerts effort to interact positively with the communities in which it operates</p>	<p>Compliant</p>	<p><i>Identify or provide link/reference to policies, programs and practices to interact positively with the communities in which it operates.</i></p> <p>Corporate Social Responsibility https://www.loto.com.ph/our-company/corporate-social-responsibility</p> <p>Sustainability https://www.loto.com.ph/sustainability</p> <p>2022 Sustainability Report https://www.loto.com.ph/sites/default/files/POSC%20SR%202022%20FINAL%20%28part%203%29_0.pdf</p>	

Pursuant to the requirement of the Securities and Exchange Commission, this Integrated Annual Corporate Governance Report is signed on behalf of the registrant by the undersigned, thereunto duly authorized, in the City of PASIG CITY on 29 MAY 2023, 2023.


SIGNATURE



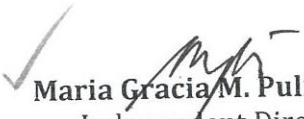
Willy N. Ocier
Chairman




Jackson T. Ongsip
President and Chief Executive Officer



Roberto V. Antonio
Lead Independent Director




Maria Gracia M. Pulido Tan
Independent Director



Joseph T. Chua
Independent Director



Michelle Angeli T. Hernandez
Compliance Officer



Jason C. Nalupta
Corporate Secretary

Subscribed and sworn to before me this 29 day of MAY 2023, affiant(s) exhibiting to me their Tax Identification Number (TIN) cards, with the following TINs:

Name
Jason C. Nalupta
Michelle Angeli T. Hernandez
Roberto V. Antonio
Joseph T. Chua
Ma. Gracia M. Pulido Tan
Jackson T. Ongsip
Willy N. Ocier

TIN

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Book No. 4
Series of 2023


ROBERTO ROLANDO L. GEOTINA
Notary Public for Cities of Pasig and San Juan
and in the Municipality of Pateros
Appointment No. 215 (2022-2023)
Commission Expires on December 31, 2023
2704 East Tower, Teklite Towers, Exchange Road
Ortigas Center, 1605 Pasig City
PTR No. 9004906/01.04.23/Pasig City
IBP No. 260919/01.05.23/RSM
Roll of Attorneys No. 78371
Admitted to the Bar on 13 May 2022