



## NOTICE OF ANNUAL STOCKHOLDERS' MEETING

To All Stockholders:

Please be advised that the annual meeting of the stockholders of PhilWeb Corporation will be held on Thursday, 9 July 2015 at 3:00 p.m. at The City Club at Alphaland Makati Place, Ayala Avenue, Makati City.

The following is the agenda of the meeting:

1. Call to order
2. Certification of Notice and Quorum
3. Review and Approval of the Minutes of the Previous Meeting held on 28 August 2014
4. Annual Report of Management and Approval of the 2014 Audited Financial Statements
5. Ratification of Acts of the Board of Directors and Management Since the Last Annual Stockholders' Meeting
6. Election of Directors
7. Appointment of External Auditor
8. Other Matters
9. Adjournment

For purposes of the meeting, only stockholders of record as of 5 June 2015 are entitled to notice of, and to vote at, the Annual Stockholders' Meeting.

Copies of the minutes of the Annual Stockholders' Meeting held on 28 August 2014 will be available upon request.

Registration starts at 1 p.m. For your convenience in registering your attendance, please have available some form of identification, such as your driver's license or passport. For representatives of corporate stockholders, kindly bring a copy of the Board Resolution authorizing you to vote the shares of the company you represent.

Should you be unable to attend the meeting in person, you may want to execute a proxy in favor of a representative. The giving of such proxy will not affect your right to vote in person, should you decide to attend the Annual Meeting.

Proxies must be filed with and received by the Office of the Corporate Secretary at The Penthouse, Alphaland Southgate Tower, 2258 Chino Roces Avenue corner EDSA, Makati City not later than 26 June 2015 at 5:00 p.m. Validation of proxies shall be made on 3 July 2015 at



2:00 p.m. at The Penthouse, Alphaland Southgate Tower, 2258 Chino Roces Avenue corner EDSA, Makati City.

If no direction is made, the proxy will be voted "FOR" the election of the nominees, "FOR" the ratification of the board appointment of the independent auditor, and such other matters as may properly come before the meeting in the manner described therein as recommended by Management.

Copies of the following documents will be available upon request: (i) Minutes of the Annual Stockholders' Meeting held on 28 August 2014; (ii) Information Statement; (iii) Management Report; (iv) Consolidated Audited Financial Statements for the year 2014.

5 May 2015

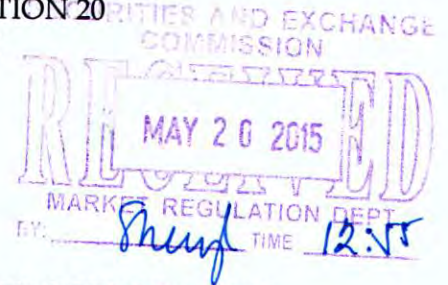


**RODOLFO M. A. PONFERRADA**  
Corporate Secretary

SECURITIES AND EXCHANGE COMMISSION

SEC FORM 20-IS

INFORMATION STATEMENT PURSUANT TO SECTION 20  
OF THE SECURITIES REGULATION CODE



1. Check the appropriate box:

- Preliminary Information Statement
- Definitive Information Statement

2. Exact name of the Registrant as specified in its charter: **PHILWEB CORPORATION**

Province, Country or other jurisdiction of Industry Classification Code Incorporation or Organization: **Philippines**

- 4. SEC Identification Number : **39121**
- 5. BIR Tax Identification Number : **321-000-141-527-000**
- 6. Address of principal office : **The Penthouse, Alphaland Southgate Tower  
2258 Chino Roces corner EDSA, Makati City**
- 7. Registrant's Telephone No. : **(632) 338-5599**
- 8. Date, time and place of the meeting of security holders: **July 9, 2015 at 3:00 p.m. at The  
City Club at Alphaland Makati Place, Ayala Avenue, Makati City**
- 9. Approximate date on which the Information Statement is first to be sent or given to  
security holders: **June 11, 2015**

10. Securities registered pursuant to Sections 4 and 8 of the RSA:

Title of Each Class	Number of Shares of Common Stock Outstanding
<b>Common Stock P1.00 par value</b>	<b>1,432,616,314 common shares (net of treasury shares of 81,380,938)</b>

11. Are any or all these securities listed on the Philippine Stock Exchange:

Yes  No

**WE ARE NOT ASKING YOU FOR A PROXY  
AND YOU ARE REQUESTED NOT TO SEND US A PROXY**

## INFORMATION STATEMENT

### GENERAL INFORMATION

#### **Date, Time and Place of Meeting of Security Holders**

The annual stockholders' meeting will be held on July 9, 2015 at 3:00 pm at The City Club at Alphaland Makati Place, Ayala Avenue, Makati City.

The complete mailing address of the principal office of the Registrant is The Penthouse, Alphaland Southgate Tower, 2258 Chino Roces corner EDSA, Makati City 1232, Metro Manila.

The approximate date when the information statement will be first sent to security holders will be on June 11, 2015.

#### **Dissenters' Right of Appraisal**

There are no matters to be taken up during the annual stockholders' meeting with respect to which the law allows the exercise of appraisal right by any dissenting stockholder. The Corporation Code limits the exercise of the appraisal right to the following instances:

- a. In case any amendment to the articles of incorporation has the effect of changing or restricting the rights of any stockholder or class of share, or of authorizing preferences in respect superior to those of outstanding shares of any class, or of extending or shortening the term of corporate existence (Section 81);
- b. In case of the sale, lease, exchange, transfer, mortgage, pledge or other disposition of all or substantially all of the corporate property and assets (Section 81);
- c. In case of merger or consolidation (Section 81);
- d. In case of investments in another corporation, business or purpose (Section 42).

Since the matters to be taken up do not include any of the foregoing, the appraisal right will not be available.

However, if at any time after this Information Statement has been sent out, an action which may give rise to the right of appraisal is proposed at the meeting, any stockholder who voted against the proposed action and who wishes to exercise such right must make a written demand, within thirty (30) days after the date of the meeting or when the vote was taken, for the payment of the fair market value of his shares. Upon payment, he must surrender his

certificates of stock. No payment shall be made to any dissenting stockholder unless the Company has unrestricted retained earnings in its books to cover such payment.

**INTEREST OF CERTAIN PERSONS IN OR OPPOSITION TO MATTERS TO BE ACTED UPON**

The directors, officers, nominees for directors and their associates do not have a substantial interest, direct or indirect, by security holdings or otherwise in any matter to be acted upon, other than election to office.

No person has informed the registrant in writing that he intends to oppose any action to be taken by the Registrant at the meeting.

**CONTROL AND COMPENSATION INFORMATION**

**Voting Securities and Principal Holders Thereof**

There are **1,432,616,314** outstanding common shares (net of treasury shares of 81,380,938) as of April 30, 2015 entitled to notice and to vote during the meeting. Each common share is entitled to one vote, except with respect to the election of directors where the stockholders are entitled to cumulative voting. There is no classification of voting securities.

The record date to determine the stockholders entitled to notice and to vote at the meeting is on **June 5, 2015**.

The election of the members of the board of directors for the current fiscal year will be taken up and all stockholders have the right to cumulate their votes in favor of their chosen nominees for director in accordance with Section 24 of the Corporation Code. Section 24 provides that a stockholder, may vote such number of shares registered in his name as of the record date for as many person as there are directors to be elected, or he may cumulate said shares and give one candidate as many votes as the number of directors to be elected 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. The total number of votes cast by such stockholders should not exceed the number of shares owned by him as shown in the books of the corporation multiplied by the whole number of directors to be elected.

No person has informed the registrant in writing that he intends to oppose any action to be taken by the registrant at the meeting.

**Security Ownership of Certain Record and Beneficial Owners and Management**

**(1) Security Ownership of Certain Record and Beneficial Owners**

As of **April 30, 2015**, PhilWeb Corporation knows of no one who beneficially owns more than 5% of its common stock except as set forth in the table below:

<i>Title of Class</i>	<i>Name and Address of Record Owner and Relationship with Issuer</i>	<i>Name of Beneficial Owner and Relationship with Record Owner</i>	<i>Citizenship</i>	<i>Amount and Nature of Record / Beneficial Ownership (indicate "r" or "b")</i>	<i>Percent Held</i>
Common	PhilWeb Casino Corporation The Penthouse, Alphaland Southgate Tower, 2258 Chino Roces Avenue cor. EDSA, Makati City Stockholder	Dennis O. Valdes Proxy/Representative	Filipino	260,392,307 (r&b - direct)	18.18%
Common	Azurestar Corporation The Penthouse, Alphaland Southgate Tower, 2258 Chino Roces Avenue corner EDSA, Makati City Stockholder	Roberto V. Ongpin Proxy/Representative	Filipino	86,217,048 (r&b - indirect)	6.02%
Common	Dominion Equities, Inc. The Penthouse, Alphaland Southgate Tower, 2258 Chino Roces Avenue corner EDSA, Makati City Stockholder	Roberto V. Ongpin Proxy/Representative	Filipino	90,842,400 (r&b - direct)	6.34%
Common	Compact Holdings, Inc. The Penthouse, Alphaland Southgate Tower, 2258 Chino Roces Avenue corner EDSA,	Roberto V. Ongpin Proxy/Representative	Filipino	95,574,500 (r&b - indirect)	6.67%

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<i>Title of Class</i>	<i>Name and Address of Record Owner and Relationship with Issuer</i>	<i>Name of Beneficial Owner and Relationship with Record Owner</i>	<i>Citizenship</i>	<i>Amount and Nature of Record / Beneficial Ownership (indicate "r" or "b")</i>	<i>Percent Held</i>
Common	Makati City Stockholder Deltaventure Resources, Inc. The Penthouse, Alphaland Southgate Tower, 2258 Chino Roces Avenue corner EDSA, Makati City Stockholder	Roberto V. Ongpin Proxy/Representative	Filipino	90,001,797 (r&b - indirect)	6.28%

**(2) Security Ownership of Management**

As of **April 30, 2015**, the following are the details of the security ownership of Management based on total outstanding shares of 1,432,616,314:

<i>Title of Class</i>	<i>Name of Beneficial Owner</i>	<i>Citizenship</i>	<i>Number of Shares and Nature of Beneficial Ownership</i>	<i>Percentage of Ownership</i>
Common	Roberto V. Ongpin Chairman	Filipino	21,840,000 (direct) 745,739,396 (indirect)	1.52% 51.92%
Common	Mario A. Oreta Vice Chairman	Filipino	600,000 (direct)	0.04%
Common	Dennis O. Valdes President	Filipino	2,443,200 (direct)	0.17%
Common	Anna Bettina Ongpin Director	Filipino	100 (direct)	0.00%
Common	Tomas I. Alcantara Independent Director	Filipino	372,000 (direct)	0.03%

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Common	Edgardo J. Angara Director	Filipino	100 (direct)	0.00%
Common	Crisanto Roy B. Alcid Independent Director	Filipino	100 (direct)	0.00%
Common	Gregorio Ma. Araneta III Independent Director	Filipino	100 (direct) 13,043,478 (indirect)	0.00% 0.91%
Common	Victor C. Macalincag Independent Director	Filipino	10,000 (direct)	0.00%
Common	Edgar Brian K. Ng Director	Filipino	1,500 (direct)	0.00%
Common	Michael Angelo Patrick M. Asperin Director	Filipino	1 (direct)	0.00%
Common	Rafael B. Ortigas Director	Filipino	1,200 (direct)	0.00%
Common	Cliburn Anthony A. Orbe Director	Filipino	202,800 (direct)	0.01%
Common	Prieto, Zaldy M. Director	Filipino	100 (direct)	0.00%
Common	Rodolfo Ma. A. Ponferrada Director/Corporate Secretary	Filipino	36,000 (direct)	0.00%
Common	Raymund S. Aquino Asst. Corp Secretary	Filipino	6,000(direct)	0.00%
Common	Antonio K. Garcia Senior Vice President	Filipino	0	0.00%
Aggregate Ownership of Directors and Officers as a Group			784,295,975	54.74%

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There are no voting trust agreements or any other similar agreement that may result in a change in control of the Company of which the Company has any knowledge. No change in control of the Registrant has occurred since the beginning of its last fiscal year.

### Directors and Executive Officers

PhilWeb's Board of Directors is composed of 15 members elected by and from among the Company's stockholders. The Board is responsible for providing overall management and direction to the Company.

The present directors and executive officers of the Company and a brief description of their business experience for the past five years are discussed below:

Name	Age	Position/Citizenship/Period Served/Term of Office
Roberto V. Ongpin	78	Director & Chairman/Filipino/15 yrs./1 yr.
Mario A. Oreta	69	Director/ Filipino/10 yrs./1yr.
Dennis O. Valdes	53	Director & President/Filipino/9 yrs./1yr.
Tomas I. Alcantara	68	Director/Filipino/13 yrs./1 yr.
Crisanto Roy B. Alcid	45	Director /Filipino/1 month/1 yr
Edgardo J. Angara	80	Director /Filipino/11 months/1 yr.
Gregorio Ma. Araneta III	67	Director/Filipino/11 months/1yr.
Michael Angelo Patrick M. Asperin	56	Director/Filipino/8 months/1 yr.
Victor C. Macalincag	79	Director/Filipino/11 months/1 yr.
Edgar Brian K. Ng	45	Director/Filipino/11 months /1 yr.
Rafael B. Ortigas	43	Director/Filipino/11 yrs./1 yr.
Anna Bettina Ongpin	50	Director/American/1 year/1 yr.
Cliburn Anthony A. Orbe	41	Director/Filipino/11 months/1 yr.
Zaldy M. Prieto	40	Director & CFO/Filipino/11 months/1 yr.
Rodolfo Ma. A. Ponferrada	38	Director & Corporate Secretary/Filipino/2 yrs./1 yr.
Raymund S. Aquino	46	Assistant Corporate Secretary/Filipino/3 yrs./1 yr.

**Roberto V. Ongpin** was elected Chairman of the Company in January 2000, the year he founded the Company. He is also the Chairman of Alphaland Corporation and Atok-Big Wedge Co., Inc. In Hong Kong, he is the Deputy Chairman of the South China Morning Post, listed in the Hong Kong Stock Exchange. He is a Non-Executive Director of Forum Energy PLC (London). Mr. Ongpin joined SGV & Co. in 1964 and was Chairman and Managing Partner of the firm from 1970 to 1979. He served as the Minister of Trade and Industry of the Republic of the Philippines from 1979 to 1986. Mr. Ongpin graduated cum laude in Business Administration from the Ateneo de Manila University, is a Certified Public Accountant and has an MBA from the Harvard Business School.

**Mario A. Oreta** was elected Director of the Company in March 2005 and Vice Chairman in July 2014. He is also currently the President of Alphaland Corporation, Alphaland Development, Inc., Alphaland Balesin Island Resort Corporation, Alphaland Makati Place, Inc., The City Club at Alphaland Makati Place, Inc., Alphaland Balesin Island Club, Inc., Alphaland Property Management Corporation and Chief Operating Officer of Jet Eagle International Limited, Inc. He is the Chairman of Major Holdings, Inc., Major Properties, Inc., and Major Homes, Inc. He is also a Director of Atok-Big Wedge Co., Inc. He was the Founder and Managing Partner of Tanjuatco Oreta and Factoran Law Offices. He obtained his law degree from the Ateneo de Manila University.

**Dennis O. Valdes** was elected Director of the Company in July 2006. He is the President of the Company, and serves as Director of Alphaland Corporation and Atok-Big Wedge Co., Inc. His previous work experience includes ten years with the Inquirer Group of Companies, as a Director of the newspaper, and also expanding their internet, printing and ink-making operations. Prior to that he spent six years with The NutraSweet Company developing their business in Asia. He is a Certified Public Accountant, graduated magna cum laude in Business Administration and Accountancy from the University of the Philippines, and has an MBA from the Kellogg School of Management, Northwestern University.

**Tomas I. Alcantara** was elected Independent Director of the Company in May 2002. He is the Chairman and President of Alsons Consolidated Resources, Inc., Alto Power Management Corp., Alsons Development and Investment Corporation, Lima Land, Inc., and Sarangani Agricultural Co., Inc., among others. He is a Director of Holcim Philippines and an Independent Director of DBP-Daiwa Securities Corp. and Philippine Bank of Communications. He studied at the Ateneo de Manila University, the Columbia University Graduate School of Business, and the Harvard Business School. He was formerly the Chairman of the Manila Economic and Cultural Office and served the Philippine government in various capacities as Undersecretary for Industry and Investments, Department of Trade and Industry, Vice Chairman and Managing Head of the Board of Investments, and Special Envoy of the President of the Philippines to APEC.

**Edgardo J. Angara** was elected Director of the Company in May 2014. He was the longest serving senator in the post-EDSA Senate, authoring many laws including the Free High School Education Act, the Generics Act, Philhealth Act, the Senior Citizens Act, the Renewable Energy Act, and others. He graduated from the University of the Philippines in 1958, passed the bar in 1959, and joined the law firm of Ponce-Enrile Siguion-Reyna Montecillo & Belo Law Offices. He obtained his Masters of Laws majoring in International Relations & Corporate laws from the University of Michigan under the DeWitt Fellowship. Senator Angara is a founding member of the ACCRA Law Offices, one of the Philippines' top law firms. He also served as president of the Philippine Bar Association in 1975, president of the Integrated Bar of the Philippines in 1979 and founding president of the ASEAN Law Association.

**Gregorio Ma. Araneta III** was elected Independent Director of the Company in May 2014. He is the Chairman and Chief Executive Officer of Araneta Properties, Inc. since 2010. He is President and Chairman of ARAZA Resources Corporation and Carmel Development Inc., Chairman of Gregorio Araneta Inc., Gamacor, Gamma Properties, Inc. and Energy City

Philippines 1 Ltd. Mr. Araneta attended the University of San Francisco and the Ateneo de Manila University, where he received his degree in Bachelor of Arts in Economics.

**Michael Angelo Patrick M. Asperin** was elected Director of the Company in August 2014. He graduated from the Philippine Military Academy in 1981. He served as Senior Vice President for Security for the Company from 2009 to 2012, and as Enterprise Risk and Security Management Officer of Petron Corporation from 2007 to 2009. He is also the CEO of Alphaland Balesin Island Club Inc., Executive Vice President for Operations of Alphaland Corporation, and President of Alphaland Aviation, Inc.

**Victor C. Macalincag** was elected as Independent Director in 2014. He is also currently an Independent Director of Crown Equities, Inc. and a Director of Semirara Mining Corporation, Republic Glass Holdings Corp., SEM Calcaca Power Corporation and Finman Rural Bank. He was the President of Trade & Investment Development Corporation of the Philippines which is presently known as PHILEXIM (formerly PhilGuarantee) from 1991 until his resignation in 2001. He was the Deputy Minister of Finance from 1981 to 1986 and Undersecretary of Finance from 1986 to 1991. He also held the position of National Treasurer from 1981 to 1988. Mr. Macalincag is a Certified Public Accountant. He has a Bachelor of Arts in Business Administration from the University of the East. He also earned a Master of Arts in Economics from the same university. He finished a fellowship program conducted by the Economic Development Institute of the World Bank, Washington D.C.

**Edgar Brian K. Ng** was elected Director of the Company in May 2014. He is currently the Senior Vice President for Gaming. In the past, he served as Managing Director/Country Manager of Affinity Express Philippines, Inc., Vice President & Country Manager of RR Donnelley Global Outsourcing, Director for Operations of Office Tiger Philippines Corporation, and Director of Special Projects (Global Operations Support) for SPi. He also spent six years with The Print Town Group, starting as a Prepress Manager for FEP Printing Corp and ending as Senior Vice President of LexMedia Digital. Aside from the corporate world, Mr. Ng has been heavily involved in the academe, as an instructor at both the undergraduate and graduate levels of Ateneo Universities. He has a Bachelor of Arts degree from the Ateneo de Manila University and an MBA from the Ateneo Graduate School of Business.

**Anna Bettina Ongpin** was elected Director of the Company in August 2013. She has more than 20 years of communications, marketing, project management, and operations experience in the management consulting and media fields. She has a bachelor's degree in Political Science from Wellesley College. She is also a Director of Alphaland Corporation and Atok-Big Wedge Co., Inc.

**Cliburn Anthony A. Orbe** was elected Director of the Company in May 2014. He also serves as the Company's Assistant Corporate Secretary and Corporate Information Officer. He has a Bachelor of Laws degree from Mindanao State University where he graduated cum laude and

class valedictorian. He was formerly an associate of the Rodrigo Berenguer Guno law firm. He is a member of the Integrated Bar of the Philippines.

**Crisanto Roy B. Alcid** was elected Director of the Company in April 2015. He is the President, Chief Operating Officer and a Director of Araneta Properties, Inc. He is a Director and Executive Vice President of Gregorio Araneta, Inc., Carmel Development Corp., Gregorio Araneta Management Corporation, and Araza Resources Corporation. He is also the Chairman of Express Telecommunications Co., Inc. and a Director of Philippine Coastal Storage & Pipeline Corp. and Clark Pipeline and Depot Company, Inc. Before joining the Araneta Group, he was connected with Ayala Land, Inc., Asiatrust Development Bank, and Citibank N.A.. He has a Bachelor of Science Degree in Management Engineering from the Ateneo de Manila University and has completed the General Management Program at the Harvard Business School.

**Rafael B. Ortigas** was elected Director of the Company in April 2002. He is the Chairman and President of Leafar Commercial Corporation, a Director of Sagitro, Inc., and Itogon-Suyoc Resources, Inc., and Vice President and Director of ISM Communications Corporation. He was a director of OCLP Holdings, Inc. and former General Partner of Ortigas and Company Ltd. Partnership. He is also a Trustee and President of Leafar Foundation, Inc. and a Trustee of the Ortigas Foundation, Inc. He has a Bachelor of Science degree in Computer Science from De La Salle University and an MBA from Ateneo de Manila Graduate School of Business.

**Rodolfo Ma. A. Ponferrada** was elected Director of the Company in April 2013 and Corporate Secretary of the Company in July 2012. He is also the Corporate Secretary of Alphaland Corporation and Atok-Big Wedge Co., Inc., and a member (representing the private sector) of the Board of Directors of the Social Housing Finance Corporation. He is a member of the Integrated Bar of the Philippines.

**Zaldy M. Prieto** was elected as the CFO and Treasurer of the Company in November 2008. Mr. Prieto is a certified public accountant and certified financial consultant. He has been practicing as a finance professional since 1995. His previous work experiences include being a senior tax consultant of SGV & Co., assistant vice president for finance in Ford Motor Company and plant controller and assistant finance director of James Hardie Philippines. He has also served as a director of Primus Finance and Leasing Co., and Ford Philippines Component Manufacturing Company. He is a member of the Philippine Institute of Certified Public Accountants and Institute of Financial Consultants.

**Raymund Nonato S. Aquino** was elected Assistant Corporate Secretary of the Company in May 2011. He was a director of SGV & Co. He has a Juris Doctor Degree from the Ateneo de Manila University College of Law and a Bachelor of Arts degree major in Legal Management from the Ateneo de Manila University. He is a member of the Integrated Bar of the Philippines.

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As of the date of this information statement, the foregoing will be nominated for re-election to the Board of Directors at the meeting. None of the above mentioned directors have declined to stand for re-election to the Board of Directors since the date of the last annual stockholders' meeting because of a disagreement with the Company on any matter relating to the Company's operations, policies, or practices.

Independent Directors / Nomination Committee

Under its Manual on Corporate Governance submitted with the Securities and Exchange Commission (SEC) on August 29, 2002, the Board of Directors may create a Nomination Committee, which may have at least three voting members. It shall pre-screen and shortlist all candidates nominated to become a member of the Board of Directors including the Independent Directors in accordance with the guidelines provided in the Manual on Corporate Governance and conformably with SRC Rule 38.

The following are the Company's incumbent Independent Directors:

1. Tomas I. Alcantara
2. Crisanto Roy B. Alcid
3. Edgardo J. Angara
4. Gregorio Ma. Araneta III
5. Victor C. Macalincag

In compliance with SRC Rule 38 and the Company's Manual on Corporate Governance, the following are the incumbent members of the Nomination Committee:

- |                        |                                 |
|------------------------|---------------------------------|
| 1. Mario A. Oreta      | - Director / Chairman           |
| 2. Tomas I. Alcantara  | - Independent Director / Member |
| 3. Anna Bettina Ongpin | - Director / Member             |

Procedures for the Nomination of the Independent Directors

The Nomination Committee prior to a stockholders' meeting shall conduct the nomination of independent directors. The nominating stockholders together with the acceptance and conformity by the would-be nominees shall sign all the recommendations. The Nomination Committee shall pre-screen the qualification and prepare a final list of all candidates and put in place screening policies and parameters to enable it to effectively review the qualifications of the nominees for independent directors. After the nomination, the Nomination Committee shall prepare a Final List of Candidates which shall contain all the information about all the nominees for independent directors, as required under Part IV (A) and (C) of Annex "C" of SRC Rule 12, which list, shall be made available to the SEC and to all stockholders through the filing and distribution of the Information Statement, in accordance with SRC Rule 20, or in such other reports the Company is required to submit to the SEC. The name of the

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independent director shall be identified in such report including any relationship with the nominee.

Only nominees whose names appear on the Final List of Candidates shall be eligible for election as Independent Directors. No further nominations shall be entertained or allowed on the floor during the actual annual stockholders' meeting.

The SEC approved the amendment of the Company's By-Laws, which include among others, the procedure for the nomination and election of independent directors on November 10, 2005.

As of the date of this Information Statement, the Nomination Committee has received and approved the following nominations for independent director:

Nominee for Independent Director (a)	Person/Group recommending nomination (b)	Relation of (a) and (b)
Tomas I. Alcantara	Rafael B. Ortigas	None
Crisanto Roy B. Alcid	Rafael B. Ortigas	None
Edgardo J. Angara	Rafael B. Ortigas	None
Gregorio Ma. Araneta III	Rafael B. Ortigas	None
Victor C. Macalincag	Rafael B. Ortigas	None

#### **Family Relationship of Directors and Officers**

Mr. Dennis O. Valdes is a nephew of Mr. Roberto V. Ongpin. Ms. Anna Bettina Ongpin is the daughter of Mr. Roberto V. Ongpin.

The Company does not know any other family relationship of directors and officers other than the ones provided.

#### **Certain Relationships and Related Transactions**

The Company's legal counsel is the law firm of Ponferrada Orbe & Altubar Law Offices where Atty. Rodolfo Ma. A. Ponferrada is a senior partner. Please also refer to Note Number 15 on Related Party Transactions of the enclosed Consolidated Financial Statements for the year 2014.

Other than the foregoing, there has been no transaction outside of the ordinary course of business during the last two years, nor is any transaction presently proposed, to which the Company was or is to be a party in which any Director or Executive Officer of the Company, or owner of more than 10% of the Company's voting securities or any member of the immediate family of any of the foregoing persons had or is to have a direct or indirect material interest. In the ordinary and regular course of business, the Company had or may have had

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transactions with other companies in which some of the foregoing persons may have an interest.

The Chairman, Mr. Roberto V. Ongpin directly and indirectly owns at least 53.44% of the Company's voting securities. No person, natural or juridical, owns more than 50% of the Company's voting securities.

### **Significant Employees**

There are no persons other than the executive officers that are expected by the Company to make a significant contribution to the business.

### **Involvement of Directors and Officers in Certain Legal Proceedings**

1. Atty. Zenaida Ongkiko-Acorda, as attorney in fact of Atty. Mario E. Ongkiko and in behalf of Philex Mining Corporation vs. Roberto V. Ongpin, et al., SEC Case No. 11-166, pending before the Regional Trial Court of Pasig City, Branch 159, which involves a purported derivative suit filed on behalf of Philex Mining Corporation (Philex) in order to recover the "short-swing profits" which were allegedly realized from supposed transactions involving Philex shares. This case is in the discovery stage. A related Petition for Review on Certiorari is also pending before the Supreme Court in G.R. No. 204166, entitled Roberto V. Ongpin, et al. vs. Acorda, et al.;
2. Development Bank of the Philippines vs. Reynaldo G. David, et al., OMB Case No. C-C-11-0492-H, which is a criminal complaint for violations of R.A. No. 3019, and banking laws, rules and regulations, pending with the Office of the Ombudsman, in connection with transactions with the Development Bank of the Philippines also involving Philex shares. In an Order dated 26 November 2012 and approved on 8 January 2013, the Office of the Ombudsman denied all motions for reconsideration of its 24 September 2012 Review Resolution;
3. People vs. Reynaldo G. David, et al., S.B.-13-CRM-0105 and S.B.-13-CRIM-0106, pending before the Third Division of the Sandiganbayan in connection with two loans obtained by Deltaventure Resources, Inc. from the Development Bank of the Philippines. The Informations in both cases, respectively, for violations of Section 3 (e) of R.A. No. 3019 were filed on 10 January 2013. The Motion to Quash the Informations was granted by the Third Division of the Sandiganbayan.
4. Alphaland Holdings (Singapore) Pte. Ltd. vs. Masrickstar Corporation, et. al. (Civil Case No. M-7565, Makati City RTC Branch 66) is a complaint for Interim Measure of Protection in Aid of Arbitration. The petitioner's application for a temporary restraining order or a temporary order of protection was denied for lack of merit by the RTC in an Order dated 22 January 2014. On 14 February 2014, the RTC issued an Order denying the petitioner's Motion

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for the issuance of an Order Enforcing Award No. 19 issued by the Emergency Arbitrator. On 19 February 2014, the RTC likewise issued an Order declaring Petitioner's Motion to Refer to Arbitration to have been rendered moot. The petitioner brought the case to the Court of Appeals on Certiorari where it is presently pending resolution. In view of the amicable settlement among the parties, they are now poised to withdraw this case.

5. NBI-Technical Intelligence Division, Intelligence Service, and Eduveges O. Batalan vs. Roberto V. Ongpin, Cliburn Anthony A. Orbe, Michael Angelo Patrick M. Asperin, et al. NPS Docket No. XVI-INV-14E-00168, is a complaint for Serious Illegal Detention, Grave Coercion and Robbery filed by former employee, Eduveges O. Batalan, currently undergoing Preliminary Investigation with the Department of Justice.

6. In Re: Philex Mining Corporation, SEC-EIPD Case No. 14-3044, the Enforcement and Investment Protection Division of the Securities and Exchange Commission found Mr. Roberto V. Ongpin liable for 174 counts of insider trading when, in the morning of 2 December 2009, he acquired a total of 45,964,500 shares of stock of Philex Mining Corporation from the open market. Mr. Roberto Ongpin is appealing the decision to the SEC En Banc.

Other than the foregoing, the Company is not aware that any of its directors and officers is involved during the past five years and up to the date of the filing of this report in any bankruptcy proceedings. Neither have they been convicted by final judgment in any criminal proceeding or been subject to any order, judgment or decree by a court of competent jurisdiction, permanently or temporarily enjoining, barring, suspending or otherwise limiting their involvement in any type of business, securities, commodities or banking activities, nor found in action by any court or administrative body to have violated a securities or commodities law.

### **Legal Proceedings**

1. Rodrigo R. Gacionco, Jr. vs. PhilWeb (CA G.R. CV-No. 01519) - Rescission of Lease Purchase Agreement.

The parties entered into a Lease Agreement with Option to Purchase on 22 November 2000. For alleged non-fulfillment of its obligation, Gandionco filed a case in the RTC to rescind the contract. PhilWeb stated that it never entered into such agreement for it was not signed by any of PhilWeb's authorized representatives. The Court Ruled in favor of Gandionco and declared the agreement between the parties as rescinded and ordered PhilWeb to pay Gacionco P 20,533.00 in litigation expenses, P20,000 in moral damages, P20,000 in exemplary damages and P50,000 in attorney's fees, in the total amount of P110,533.00. Gacionco was likewise ordered by the court to return to PhilWeb 10 IBM Computers, amounting to approximately P200,000.00 and 5000 pieces of ZOOM cards. PhilWeb appealed the case to the Court of Appeals. The appeal is submitted for decision by the Court of Appeals.

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2. PhilWeb vs Sonia K. Pamatmat  
I.S. No. 07-J-8470  
Qualified Theft

The respondent is a former employee of PhilWeb. During her tenure as a former employee of PhilWeb, she took a company vehicle and did not return the same upon termination of her employment. PhilWeb demanded the return of its vehicle. Despite said demand, she failed to return the said property. PhilWeb then filed a complaint charging the respondent of Qualified Theft.

PhilWeb filed a Petition for Certiorari to annul the Resolution of the Department of Justice dismissing the criminal case against Sonia K. Pamatmat. The case is pending resolution by the Court of Appeals.

3. PhilWeb Corporation vs. BOS (Antigua) Ltd.  
Civil Case No. 06 - 712  
For Damages with Attachment  
Makati RTC Branch 139

The parties entered into a Memorandum of Agreement on November 20, 2005 for the operation of sports betting facility. BOS allegedly violated provisions in the MOA prompting PhilWeb to file a case against BOS.

The case will be litigated upon service of summons to BOS.

4. Arvin Arcales vs. PhilWeb Corporation, et al.,  
NLRC RAB-VII-Case No. 09-1476-11  
For Separation Pay, Backwages and damages

Arvin Arcales filed an illegal dismissal case with a claim for separation pay, backwages and damages. The National Labor Relations Commission (NLRC) decided on September 24, 2012 that Arcales was validly terminated from employment and that he is not entitled to the award of separation pay, backwages, moral and exemplary damages and attorney's fees. Arcales filed a Petition for Certiorari with the Court of Appeals to contest the NLRC Resolution upholding the validity of his termination from employment. The parties have filed their respective Memoranda.

PhilWeb is currently awaiting an order from the Court of Appeals on whether the case is now submitted for resolution.

5. PhilWeb vs. Eduveges O. Batalan  
NPS No. XV-05-INV-14B-0359  
Qualified Theft

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PhilWeb discovered that Eduveges O. Batalan, whose employment has been terminated for cause, stole money from the company amounting to Php534,273.00 through unliquidated cash advances and allowances. Accordingly, PhilWeb filed a case for qualified theft against Batalan and is currently undergoing preliminary investigation before the Office of the City Prosecutor of Makati City.

6. Brinia A. Flojemon vs. PhilWeb, et al.  
SEAD - NLRC NCR Case No. 2013-12-0175B

Brinia A. Flojemon filed an illegal dismissal case with the National Labor Relations Commission. On 30 October 2014, The Labor Arbiter issued a Decision in favor of Flojemon. On 29 December 2014, PhilWeb filed its Appeal Memorandum with the National Labor Relations Commission seeking to have the Decision of the NLRC reversed and set-aside. Flojemon has since filed her Opposition to PhilWeb's Appeal Memorandum. On 19 March 2015, PhilWeb filed its Reply to Flojemon's Opposition.

7. PhilWeb vs. Brinia A. Flojemon  
NPS No. XV-05-INV-14B-0360  
Qualified Theft

PhilWeb discovered that Brinia A. Flojemon, whose employment has been terminated for cause, stole money from the company amounting to Php1,829,000.00 through unliquidated cash advances and allowances. Accordingly, PhilWeb filed a case for qualified theft against Flojemon. On 18 August 2014, the Office of the City Prosecutor of Makati issued a Resolution dismissing the complaint filed by PhilWeb. Accordingly, PhilWeb seasonably filed a Motion for Reconsideration and is currently awaiting the resolution of the same.

8. PhilWeb Corporation vs. Playtech Software Limited  
Civil Case No. 14-116  
Makati RTC Branch 142

The parties entered into a Software License Agreement (SLA) on 30 October 2012. After the lapse of fourteen (14) months from the execution of the SLA, Playtech had yet to comply with its contracted obligations. Thus, on 12 December 2013, PhilWeb decided to terminate the SLA with immediate effect.

PhilWeb filed a case against Playtech with the Regional Trial Court of Makati on 30 January 2014 for damages and loss of revenue it caused by violating the provisions of the SLA. On 17 November 2014, the trial court dismissed the case against Playtech. On 19 December 2014, PhilWeb filed a Motion for Reconsideration. On 27 March 2015, the trial court granted our motion for reconsideration.

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9. Eduveges O. Batalan vs. PhilWeb Corporation, et al.  
 NLRC LAC Case No. 01-000099-15

Eduveges O. Batalan filed an illegal dismissal case with the National Labor Relations Commission. The Labor Arbiter issued a Decision in favor of Batalan. On 11 December 2014, PhilWeb filed its Appeal Memorandum with the National Labor Relations Commission (NLRC) seeking to have the Decision of the Labor Arbiter reversed and set-aside. PhilWeb's Appeal Memorandum was dismissed by the NLRC due to a technicality. PhilWeb has since filed its Motion for Reconsideration.

10. PhilWeb Corporation and e-Magine Gaming Corporation vs. Paolo Ambrosi  
 (Civil Case No. 14-1115)  
 Complaint for Breach of Contract and damages with application for Temporary Restraining Order (TRO) and Injunction

The respondent is a former employee of PhilWeb and was assigned to work for e-Magine. Upon leaving PhilWeb and e-Magine, it was discovered that he disclosed and utilized for himself confidential information of PhilWeb and e-Magine.

The TRO was granted by the trial court. The case is currently set for the hearing on the preliminary injunction.

11. PhilWeb Corporation and e-Magine Gaming Corporation vs. Paolo Ambrosi  
 (NPS No. XV-05-INV-14J-3850)  
 Criminal case for Qualified Theft and Unfair Competition

The respondent is a former employee of PhilWeb and was assigned to work for e-Magine. Upon leaving PhilWeb and e-Magine, it was discovered that he stole and then disclosed and utilized for himself confidential information of PhilWeb and e-Magine.

The case is currently undergoing preliminary investigation with the Office of the City Prosecutor of Makati.

**Compensation of Directors and Executive Officers**

The aggregate amount of compensation paid by the Company to all of its directors and management as a group for fiscal years 2013 and 2014 were P55,845,158.00 and P46,084,346.00, respectively. The estimated aggregate compensation for 2015 is P48,989,000.00.

Annual Compensation of Five Most Highly-Paid Executives including the CEO

<u>Name and Principal Position</u>	<u>(a) Year</u>	<u>(b) Salary</u>	<u>(c) Bonus</u>	<u>(d) Other</u>	<u>(e) Annual</u>
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Comp.

1. Roberto V. Ongpin  
 Chairman  
 (elected January 18, 2000)
2. Dennis O. Valdes  
 President  
 (elected in July 2006)
3. Brian K Ng  
 Senior Vice President  
 (effective January 2011)
4. Rodolfo Ma. A. Ponferrada  
 Senior Vice President  
 (effective July 2012)
5. Zaldy M. Prieto  
 Senior Vice President & CFO  
 (effective November 2008)

Aggregate Compensation of the CEO  
 & Five Most Highly-Paid Executives

2013	20,832,065	1,356,824	529,412
2014	22,620,000	1,885,000	1,308,823
2015 <sup>1</sup>	25,080,000	2,090,000	1,058,824

All Officers and Directors as a Group  
 Unnamed

2013	55,845,158	5,036,767	823,529
2014	46,084,346	3,835,222	1,970,588
2015 <sup>2</sup>	48,989,000	4,092,417	1,470,588

There are no standard arrangements with regard to election, bonus, profit sharing, pension/retirement plan granting or extension of any option, warrant or right to purchase any securities. The Company has a stock option plan which is administered by a stock options committee.

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<sup>1</sup> Estimated figures

<sup>2</sup> Estimated figures

PhilWeb became an Internet company in January 18, 2000 upon the stockholders' approval of a restructuring plan which involved changes in the Company's name, primary purpose, increase in capital stock, declassification of shares, increase in the number of directors, and adoption of new by-laws, among other matters. At the same meeting, the stockholders likewise authorized the Board of Directors to sell all or substantially all of the assets of the Company, and approved the sale of the mining properties and tangible mining assets. On the same date, the Parent Company entered into a Deed of Assignment with All-Acacia Resources, Inc. whereby the Parent Company transferred all its rights over its mining claims located in the Provinces of Samar and Surigao and all of its mining assets, both tangible and intangible, used in the Parent Company's mining operations. In consideration therefore, All-Acacia agreed to assume all liabilities and obligations of the Parent Company, including those relating to the assignment of advances from stockholders and/or deposits on subscriptions in excess of P18 million which had been agreed to be converted to equity of the Parent Company, and arrange for the resignation, retirement or termination of all the Parent Company's personnel relating to the mining business and pay their corresponding separation or retirement pay, as well as hold the Parent Company free and harmless from any expense, liability or obligation arising from the operation of the Parent Company as of the date of the Agreement.

The change in the Company's corporate name to "PhilWeb.Com, Inc.", its primary purpose from a mining and oil exploration company to that of an Internet company, increase in the number of directors to 15, and adoption of new By-laws became effective upon their approval by the SEC on February 8, 2000. The SEC subsequently approved the increase in the Company's authorized capital stock to P2.6 Billion and the declassification of its common shares to one class on March 6, 2000.

At the annual stockholders' meeting on May 31, 2002, the stockholders approved the change in corporate name from "PhilWeb.com, Inc." to "PhilWeb Corporation". The stockholders also approved the inclusion of the gaming business as an additional secondary purpose of the Company. The SEC approved these changes on November 5, 2002.

On November 28, 2002, the Company signed a Memorandum of Agreement with Philippine Amusement and Gaming Corporation (PAGCOR) for the Company to provide PAGCOR with technical consultancy and marketing services related to Internet Sports Betting. PAGCOR has launched its Internet Sports Betting website called BasketballJackpot.Net, with the objective of getting a slice of the US\$10 billion worldwide Sports Betting market. In April 2004, the Company launched its Internet casino business (ecasinofilipino.com).

### **PAGCOR e-Games cafés**

In 2003, we received a license from the Philippine Amusement and Gaming Corporation (PAGCOR) to launch e-Games stations, which are Internet cafés exclusively dedicated to casino games. With technology provided by PhilWeb, patrons can choose from close to three hundred casino games, including baccarat, blackjack, various slot machine games, video poker and others. Most e-Games cafés operate on a 24/7 basis.

There are now 305 e-Games cafés all over the country, with the majority owned and operated by independent operators. These e-Games Operators handle day-to-day operations and get a commission based on the casino winnings of the café.

In 2014, e-Games stood strong amidst changes and challenges in the industry. From 299 e-Games cafes, the Company added 6 sites, bringing up the nationwide count to 305. This increase brought up Terminal Count to 8,193, a 7.3% increase from last year's figures. Total Casino Win reached P5.432 billion. e-Games PAGCOR remittances exceeded the previous year's figure by 12%. Despite the presence of traditional casinos such as Solaire, Resorts World Manila, and the recently opened City of Dreams, e-Games' operations and growth remain unaffected.

Realtime Gaming (RTG), e-Games' backend software provider, together with the new server enabled e-Games to accommodate more players and paved the way for account-based play. e-Games also achieved the highest winnings in one day of P22 million, set in December. Apart from RTG, Microgaming continues to provide its suite of casino games into various cafes.

e-Games site renovations, which began in 2013, continued into 2014. Each site renovation brought about an enhanced player experience, with newly-installed bars, lounges and crap tables. In 2015, e-Games will continue renovating its sites. The Company will also explore new trends to keep its core business at par with current industry standards.

The game distribution for the past year is split into four major categories: slots games, baccarat games, video poker games, and others. Slots continued its dominance, with a 62% market share in 2014, which is a clear indication that it remains a favorite amongst e-Games players. Meanwhile, Baccarat was the second highest at 21%. Video poker encompassed 10% of the total game distribution, while other games took up the remaining 7%.

### **Marketing Highlights**

Launched in 2013, e-Games' Membership and Rewards Program enjoyed continued patronage in 2014. As of this writing, there are 70,000 registered accounts. As card-carrying members, e-Games players have access to a web-based interface that allows them to manage their accounts, participate in quarterly promotions, and redeem exclusive reward items. Raffle draws were also held in 2014, with more than P12 million in prizes given away.

In 2014, e-Games initiated the Club Platinum Program, a player retention program exclusive only for e-Games' super VIP (SVIP) players. SVIP clients are identified as high-rollers who have accumulated considerable playing time and significant wins. They are assigned with Relationship Managers who they can call at any time. Relationship Managers ensure that personalized attention is given toward delighting each and every client in this category and on infrequent instances, the timely resolution of any concerns SVIP members may have, from game play issues to general dissatisfaction.

The final component of the SVIP program is the Platinum card, which can be used to avail of discounts and upgrades from e-Games' high-end partner establishments. These partner establishments consist of selected retail stores, hotels, and restaurants.

SVIP clients enjoy more perks. A rewards program has been established wherein members may redeem their accumulated points for premium items such as high-end designer bags and trips to exclusive destinations like Balesin Island Club.

### **Goals for 2015**

e-Games key initiative in 2015 will be the activation of the Electronic Wallet (e-Wallet), which will allow players to leave credits in their accounts. This is a significant step forward from the current cash-only transaction model, reducing the various risks involved in the handling of cash. Players will enjoy the portability and security of keeping their credits within their electronic player account, knowing they have instant access to their balance at any e-Games terminal across the country. The e-Wallet will be launched in Q2 2015.

With the SVIP program launched in 2014, e-Games marketing will launch programs which will cater to different segments of the market. In terms of games, e-Games will introduce slots games which carry multi-level progressive jackpots. Instead of just one payout, there will be multiple jackpot winning opportunities.

e-Games will continue with its events and product activations, with focus on specific geographic segments.

### **BigGame, Inc.**

BigGame, Inc. (BGI) is a wholly owned subsidiary of PhilWeb Corporation. It owns and operates 17 e-Games cafés, making it one of the largest operators in the business.

BGI's network of cafés functions as the Company's "R&D laboratory" where new games, strategies and other innovative ideas are first tested. Results, whether positive or negative, are reported to e-Games operators during the quarterly General Assemblies. If a new game or idea delivers positive results and is approved unanimously by the operators, the BGI café in question becomes the standard by which all other BGI and e-Games cafés will follow. Because of this rigorous process, BGI continues to bring in improved gaming configurations and upgrades for the Company's various services and amenities.

BigGame delivered a top-line revenue of P213 million in 2014, up from P211 million in 2013. BGI was also able to acquire Sucat, an existing PEGS branch while its Blue Wave outlet was transferred to another location, bringing its total site count up from 16 to 17. Total gaming terminals is up by 4%, from 1063 terminals in 2013 to 1,110 terminals in 2014.

In 2014, BGI introduced several new concepts which were successfully met. These included the VIP Couple Seats which allowed couples to play alongside each other, VIP Pods that were patterned after business class airline seats, curved terminals, lounge chairs with dedicated tables and VIP booths with push recliner chairs. These were all well-received by BGI's clients.

Another new improvement that was introduced in BGI sites was the conversion of bar set-ups to lounge set-ups. Through extensive research, it was noted that customers enjoyed playing far longer on comfortable sofas rather than on bar stools. In 2015, BGI looks forward to deploying the Genesis line of gaming terminals from e-Magine Gaming, which will in turn provide a more engaging customer experience.

### **BGI Marketing**

In 2014, BGI's marketing efforts consisted of several key activities. The first was "Tis the Season to be Lucky," a three-month raffle activity which was launched in November. All BGI members were eligible to participate, with several of the winners of P100,000 coming from Cebu.

Another major event in 2014 that BGI participated in was the 14th Grand Wine Experience. Considered to be the biggest wine event in Southeast Asia, the event was held November 14, 2014 at the Grand Ballroom of the Marriott Hotel, Newport City. Organized annually by Philippine Wine Merchants the event focuses on fostering the promotion of wine drinking and was well-attended by wine enthusiasts, celebrities, international VIPs and members of Philippine society. BGI made its presence felt via a demonstration booth which was located at the ballroom's entrance. Here, guests could play and experience e-Games for free. Towards the end of the night, vouchers were given out as raffle prizes.

BGI also celebrated the renovation of its Buendia branch with a launch. Held on December 21, 2014, the Buendia Renovation Launch featured numerous fun activities for its clients. These included "VIPs of the Day" promo, Random Seat Promo, Attendance Promo, and a Slots Tournament. Two new games were introduced during the Slots Tournament - White Rhino and Hen House. These two games represent the first of many Multi-level Progressive Jackpot games, which are differentiated by having both a major and minor cash prize.

### **BGI in 2015**

In 2015, BGI will carry on with its site expansions and renovations to existing cafés and are planning four additional sites for the year.

BGI will continue to look out for innovative ways to keep player experience fresh and up-to-date with the current trends in the gaming industry. The group will adapt to these new trends to ensure continuous improvements are being carried out at its sites.

BGI's marketing group will focus on its VIP program, which will target its high-roller customers. There will also be retention programs that will offer perks for VIPs when they reach a certain deposit amount or play at specific BGI sites. BGI will also conduct site promotions that aim to grow the player base and keep players engaged.

### **e-Magine Gaming Corporation**

e-Magine gaming is a subsidiary of PhilWeb Corporation. The Company's primary purpose is to develop and manufacture gaming terminals. Launched in 2012, e-Magine's goal is to strengthen PhilWeb's revenues and support its local business operations.

e-Magine's Genesis 103 is a sleek and user-friendly console, utilizing a Windows-based operating platform to handle a multitude of unique and varied gaming applications.

The Genesis 103 is built for online casino gaming. Offering a greater experience with its 21-inch touch screen and all-in-one terminal capabilities, players begin their game play through the 103's casino lobby screen via their membership card. Players can insert money and collect tickets from the terminal without having to leave their seats.

### **2014 Highlights**

e-Magine achieved two key highlights in 2014. The first was the Gaming Labs International, Inc. (GLI) certification which was awarded to the Company in December 2014. Since Q2 of 2014, e-Magine had been coordinating with GLI representatives to discuss and define the local and international requirements of the unit.

On August 7, 2014, e-Magine sent two units to GLI Macau Technical Center for initial testing then transferred the units to Adelaide, Australia for further testing. On December 18, 2014, Gaming Laboratories Australia issued PA-308-EMA-14-01 certifying the Genesis 103 for the hardware requirements of PAGCOR Technical Standards for Electronic Gaming Machine Version 1.0. This certification represents the local version of GLI-11.

In the future, PAGCOR will require local operators to comply with GLI certification or other similar equivalents. This puts e-Magine ahead of its competitors as the Company already has the certification requirements. Moving forward, the Company will keep adding to its GLI certification. GLI certification is an important component for e-Magine when it pushes into international markets requiring this industry standard.

Another highlight for e-Magine is the roll-out of 146 units of the Genesis 103 units in selected BGI branches. To date, BGI branches have utilized the traditional desktop computer setup for its gaming consoles. With the introduction of these sleek Genesis 103 units, players will now enjoy a more interactive gaming experience. Boasting a modern design with touchscreen terminals, the Genesis is a modular, customizable gaming machine that can be adjusted to one's preferred viewing angle.

## **Corporate Services**

### **Finance**

The PhilWeb Finance Department demonstrates excellence in maintaining the integrity of our financial reports. It continuously develops and implements financial systems and internal control policies to safeguard the Company's assets and resources. Its role has also evolved from pencil pushers or number generators for the organization to a business partner of the other departments. Our Finance Department has become the catalyst for other areas to achieve their respective cost and revenue targets, thereby allowing the whole organization to achieve its objective for the Stakeholders.

One of the critical, if not the most critical, role of finance is to make sure that all cash from the nationwide network of e-Games are collected in a timely and accurate manner. Thru our Company-proprietary POS system and 24/7 operation of our Cash Centers, we are able to monitor cash exposure thereby making it possible for us to collect or replenish the cash needs of each site almost immediately. Coupled with the strict implementation of collection policies, we are able to manage our cash with very minimal risk to the Company. The Company also has partner banks that accept payments or fund transfers on behalf of the Company.

In 2014, we established another business location right in the heart of the business district of Pasig City. The new location includes Field, IT, Customer Service and Cash Center departments. This enabled us to provide faster and more efficient services to our clientele and partners.

### **Legal**

The Legal Department ensures that the interests of the Company as well as its subsidiaries and affiliates are fully protected. Likewise, it makes certain that the Company observes all laws, rules and regulations relevant to the operation of its business and that it complies with all the reportorial requirements of various government offices and agencies such as, but not limited to, the Securities and Exchange Commission, the Philippine Stock Exchange, the Board of Investments and the Philippine Economic Zone Authority. In the same manner, the Legal Department manages and oversees the Company's dealings with concerned local government units with respect to the issuances of permits and licenses.

The Legal Department is also responsible for the registration of trademarks, patents and copyrights that are aimed to protect the intellectual property rights of the Company. Moreover, it is in-charge of reviewing all the contracts that the Company enters into thereby guaranteeing that the terms of every agreement are beneficial to the interests of the Company. Further, the Legal Department handles all cases brought by or against the Company whether these cases involve civil, criminal or administrative matters. In all, the Legal Department serves as the legal adviser and consultant of the Company, ever vigilant and protective of the Company's rights and interests.

### **Customer Support**

In 2014, changes were made to the Customer Support Department in an effort to streamline the service. The Field Support Group was merged into the IT Division to exploit possible synergies; and the remaining Contact Center operation was merged into the Gaming Division to provide a venue for customer feedback on the various projects that were being undertaken.

Despite these changes, the team continued to render multi-channel support 365 days a year, 24 hours a day for all PhilWeb products, to include e-Games members and operators and site staff, as well as customers of Premyo sa Resibo and MegaSportsWorld. There was an 8% increase in the number of transactions in 2014 -- over 300,000 calls and e-mails. Despite the volume, CS has maintained low single-digit call abandonment rates, enabling the team to answer at least 92% of all calls in 20 seconds coming from a 90% average in 2013, while majority of emails were