

ORIENTAL ASSURANCE CORPORATION

11 July 2022

HON. DENNIS B. FUNA
Insurance Commissioner
Insurance Commission
1071 United Nations Avenue,
Ermita, Manila 1000

Dear Comm. Funa,

Compliance re: Submission of Annual Corporate Governance Report

In compliance with Circular Letter No. 2020-72 in relation to Circular Letter No. 2022-28, Oriental Assurance Corporation ("OAC") hereby submits before this Honorable Commission its Annual Corporate Governance Report for the year 2021.

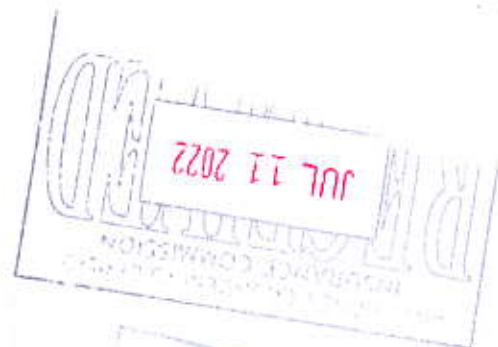
Thank you.

Very truly yours,

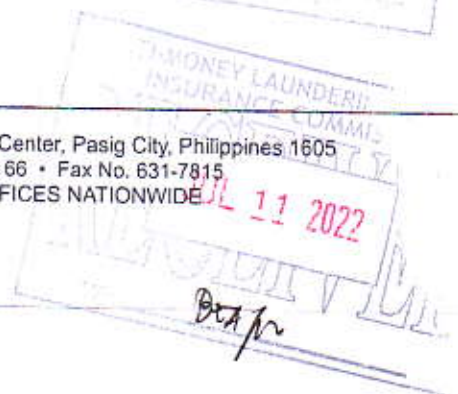
ORIENTAL ASSURANCE CORPORATION

By:

ATTY. MELODY ANNE E. CALO-VILLAR
Corporate Secretary



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WITH AGENCIES, BRANCHES AND NETWORK OFFICES NATIONWIDE



COVER SHEET

2 0 6 8 2

SEC Registration Number

O R I E N T A L A S S U R A N C E C O R P O R A T I O N

(Company's Full Name)

2 N D F L O O R , O A C B U I L D I N G , 2 7 S A N

M I G U E L A V E N U E , O R T I G A S C E N T E R ,

P A S I G C I T Y , M E T R O M A N I L A 1 6 0 5

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

Atty. Melody E. Calo-Villar
Corporate Secretary

(Contact Person)

8-6317851 to 66

(Company Telephone Number)

1 2

Month

3 1

Day

(Fiscal Year)

2 0 2 1 - I - A C G R

(Form Type)

FIRST TUESDAY OF MARCH

Month Day

(Annual Meeting)

(Secondary License Type, If Applicable)

Dept. Requiring this Doc.

Amended Articles Number/Section

Total No. of Stockholders

Domestic

Foreign

To be accomplished by SEC Personnel concerned

File Number

LCU

Document ID

Cashier

STAMPS

Remarks: Please use BLACK ink for scanning purposes.



**INTEGRATED ANNUAL CORPORATE GOVERNANCE REPORT
2021**



SEC FORM – I-ACGR

INTEGRATED ANNUAL CORPORATE GOVERNANCE REPORT

GENERAL INSTRUCTIONS

A. Use of Form I-ACGR

This SECForm 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

ORIENTAL ASSURANCE CORPORATION

1. For the fiscal year ended - 31 December 2021
2. SEC Identification Number 20682 3. BIR Tax Identification No. – 000-798-742-000
4. Exact name of issuer as specified in its charter - Oriental Assurance Corporation
5. Philippines Industry Classification Code:
Province, Country or other jurisdiction of
incorporation or organization
7. 2/F, OAC Building, No. 27 San Miguel Avenue, OrtigasCenter, Pasig City 1605
Address of principal office Postal Code
8. (632) 86317851 to 60 local 130
Issuer's telephone number, including area code
9. Not Applicable
Former name, former address, and former fiscal year, if changed since last report.

INTEGRATED ANNUAL CORPORATE GOVERNANCE REPORT (2022)

	COMPLIANT/ NON- COMPLIANT	ADDITIONAL INFORMATION	EXPLANATION
The Board's Governance Responsibilities			
<p>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.</p>			
Recommendation 1.1			
<p>1. Board is composed of directors with collective working knowledge, experience or expertise that is relevant to the company's industry/sector.</p>	Compliant	<p>Provide information or link/reference to a document containing information on the following:</p>	
<p>2. Board has an appropriate mix of competence and expertise.</p>	Compliant	<p>1. Academic qualifications, industry knowledge, professional experience, expertise and relevant trainings of directors</p>	
<p>3. Directors remain qualified for their positions individually and collectively to enable them to fulfill their roles and responsibilities and respond to the needs of the organization.</p>	Compliant	<p>2. Qualification standards for directors to facilitate the selection of potential nominees and to serve as benchmark for the evaluation of its performance</p>	

		<p><i>Oriental Assurance Corp. (OAC) directors have a collective working knowledge, experience and expertise relevant to non-life insurance business. Also, the Board represents an appropriate mix of competence and expertise in the area of business, finance, operations, regulatory and legal disciplines relevant to the Company's industry, with each director capable of adding value and exercising independent judgment, ensuring that the directors remain qualified for their positions individually and collectively to enable them to fulfill their roles and responsibilities within the company.</i></p> <p><i>The profiles of the directors are disclosed in the company's website. The required qualifications of a director are provided in the Company's By-Laws.</i></p>	
Recommendation 1.2			
1. Board is composed of a majority of non-executive directors.	Compliant	Identify or provide link/reference to a document identifying the directors and the type of their directorships	

		<p><i>The Board consists of six (6) directors, two (2) of whom are independent directors, three (3) are non-executive directors, and three (3) are executive directors. The composition of the Board clearly delineates their responsibilities with those of Management.</i></p> <p>Director Designation Domingo Cotoco executive Kent Cotoco executive Donn Dave Cotoco executive Manolo Romulo non-executive Felino Coto non-executive Donn Drake Daniel Cotoco non-executive</p>	
Recommendation 1.3			
<p>1. Company provides in its Board Charter and Manual on Corporate Governance a policy on training of directors.</p>	<p>Compliant</p>	<p>Provide link or reference to the company's Board Charter and Manual on Corporate Governance relating to its policy on training of directors.</p> <p><i>The company has policy of requiring its directors to undergo training on corporate governance before the assumption of office.</i></p> <p>link- Board Charter</p>	

2. Company has an orientation program for first time directors.	Compliant	Provide information or link/reference to a document containing information on the orientation program and trainings of directors for the previous year, including the number of hours attended and topics covered.	
3. Company has relevant annual continuing training for all directors.	Compliant	<p><i>The company has policy of requiring its directors to undergo training on corporate governance before the assumption of office, as well as a continuing annual training to improve competence and knowledge.</i></p>	

Recommendation 1.4

<p>1. Board has a policy on board diversity.</p>	<p>Compliant</p>	<p><i>Provide information on or link/reference to a document containing information on the company's board diversity policy.</i></p> <p><i>Indicate gender composition of the board.</i></p> <p><i>The company is committed to abide with the principles of good corporate governance, hence, it adopted a Board Diversity Policy to ensure that the Board has an appropriate mix of expertise, experience and independence that would encourage critical discussion and promote a balanced decision in the attainment of the Company's strategic objectives and sustainable development. The Board Diversity Policy recognizes the important role of women with appropriate and relevant expertise. Under the Policy, the Board shall aim to have at least one (1) female director as its member.</i></p> <p><i>However, the current board of directors does not have in its roster a female director.</i></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>Provide information on or link/reference to a document containing the company's policy and measurable objectives for implementing board diversity.</p> <p>Provide link or reference to a progress report in achieving its objectives.</p>	
<p>Recommendation 1.5</p>			
<p>1. Board is assisted by a Corporate Secretary.</p>	<p>Compliant</p>	<p>Provide information on or link/reference to a document containing information on the Corporate Secretary, including his/her name, qualifications, duties and functions.</p> <p><i>The Company's Corporate Secretary, Atty. Melody Calo-Villar, is responsible for ensuring that adequate information flows within the Board and Board Committees and between Management and nonexecutive directors. The information on the Corporate Secretary, including her name, qualifications, duties and functions are stated in the General Information Sheet.</i></p>	
<p>2. Corporate Secretary is a separate individual from the Compliance Officer.</p>	<p>Compliant</p>		
<p>3. Corporate Secretary is not a member of the Board of Directors.</p>	<p>Compliant</p>		

<p>4. Corporate Secretary attends training/s on corporate governance.</p>	<p>Compliant</p>	<p>Provide information or link/reference to a document containing information on the corporate governance training attended, including number of hours and topics covered</p> <p><i>The Corporate Secretary, Atty. Villar, prior to her assumption of office, has undergone and attended the required corporate governance training with the Insurance Commission.</i></p>	
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Optional: Recommendation 1.5

<p>1. Corporate Secretary distributes materials for board meetings at least five business days before scheduled meeting.</p>	<p>Compliant</p>	<p>Provide proof that corporate secretary distributed board meeting materials at least five business days before scheduled meeting</p> <p><i>Atty. Villar, as corporate secretary, sends out the notice of hearing at least five (5) business days before the scheduled meeting.</i></p> <p><i>A copy of the notice of meeting is indicated in the company's website.</i></p> <p><u>link – sample notice of meeting</u></p>	
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Recommendation 1.6

1. Board is assisted by a Compliance Officer.	Compliant	<p>Provide information on or link/reference to a document containing information on the Compliance Officer, including his/her name, position, qualifications, duties and functions.</p> <p><i>The Compliance Officer is Kent S. Cotoco who has a rank of an Executive Vice President.</i></p>	<p><i>The Compliance Officer has a rank of an Executive Vice President. However, he is currently a member of the BOD,</i></p> <p><i>In compliance with the Code of Corporate Governance, the company undertakes to appoint someone as Compliance Officer who is not a member of the BOD.</i></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.	Non-compliant		
4. Compliance Officer attends training/s on corporate governance.	Compliant	<p>Provide information on or link/reference to a document containing information on the corporate governance training attended, including number of hours and topics covered.</p> <p><i>The compliance officer underwent training on corporate governance with the Insurance Commission.</i></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

<p>1. Directors act on a fully informed basis, in good faith, with due diligence and care, and in the best interest of the company.</p>	<p>Compliant</p>	<p>Provide information or reference to a document containing information on how the directors performed their duties (can include board resolutions, minutes of meeting)</p> <p><i>The Board Directors reviews and approves major policy decisions, annual budget, major investments etc. on a fully informed basis taking into consideration the best interest of the company.</i></p> <p><u>link – Board Charter</u></p>	
Recommendation 2.2			
<p>1. Board oversees the development, review and approval of the company's business objectives and strategy.</p>	<p>Compliant</p>	<p>Provide information or link/reference to a document containing information on how the directors</p>	

<p>2. Board oversees and monitors the implementation of the company's business objectives and strategy.</p>	<p>Compliant</p>	<p>performed this function (can include board resolutions, minutes of meeting)</p> <p>Indicate frequency of review of business objectives and strategy</p> <p><i>The BOD sets the company's overall strategic decisions, objectives and long term goals. All business decisions are made based on the BOD's review and approval.</i></p> <p><i>The BOD regularly meets to assess the company's past and current performance and ensures that the same is in consonance with the company's mission and vision.</i></p> <p><u>link --- Board Charter</u></p>	
<p>Supplement to Recommendation 2.2</p>			

<p>1. Board has a clearly defined and updated vision, mission and core values.</p>	<p>Compliant</p>	<p>Indicate or provide link/reference to a document containing the company's vision, mission and core values.</p> <p>Indicate frequency of review of the vision, mission and core values.</p> <p><i>The BOD sets the company's overall strategic decisions, objectives and long term goals. All business decisions are made based on the BOD's review and approval.</i></p> <p><i>The BOD regularly meets to assess the company's past and current performance and ensures that the same is in consonance with the company's mission and vision.</i></p> <p>link --- Board Charter</p>	
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<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>Provide information on or link/reference to a document containing information on the strategy execution process.</p> <p><i>The Company has a Management Control Policy which means the company is run and managed by the Management Committee (ManCom) and Audit and Risk Committees.</i></p> <p><i>Mancom is composed of the corporate officers and executives headed by the President. It is responsible for the successful implementation of the company's business strategy and policies. It is primarily accountable to the BOD.</i></p> <p><i>Weekly meetings are conducted by the ManCom to decide and implement various business strategies and decisions.</i></p>	
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Recommendation 2.3

<p>1. Board is headed by a competent and qualified Chairperson.</p>	<p>Compliant</p>	<p>Provide information or reference to a document containing information on the Chairperson, including his/her name and qualifications</p> <p><i>The BOD is headed by Mr. Domingo Cotoco. He oversees the performance of the BOD and ensures that the interests of the stockholders are protected in all aspects of business decisions.</i></p> <p>link--- Board of Directors list</p>	
Recommendation 2.4			
<p>1. Board ensures and adopts an effective succession planning program for directors, key officers and management.</p>	<p>Compliant</p>	<p>Disclose and provide information or link/reference to a document containing information on the company's succession planning policies and programs and its implementation.</p>	

<p>2. Board adopts a policy on the retirement for directors and key officers.</p>	<p>Compliant</p>	<p><i>Working together with the BOD, the Nomination Committee is responsible for ensuring that the Succession Program is implemented and the leadership development for all officers are being observed for the smooth transition of the President and CEO and the rest of the Senior Management.</i></p> <p><i>The said Committee, in coordination with the Admin and Human Resources Department, develops and implements the process for the transition and succession candidates for the President, Senior Management, Middle Management and first line management.</i></p> <p><i>The BOD adopts and implements a Retirement Plan to ensure that due compensation is laid out for all retiring Senior Officers and Executives of the company.</i></p>	
Recommendation 2.5			
<p>1. Board aligns the remuneration of key officers and board members with long-term interests of the company.</p>	<p>Compliant</p>	<p><i>Provide information on or link/reference to a document containing information on the company's remuneration policy and its implementation, including the</i></p>	

2. Board adopts a policy specifying the relationship between remuneration and performance.	Compliant	<p><i>relationship between remuneration and performance.</i></p> <p><i>The Remuneration Committee</i></p>	
3. Directors do not participate in discussions or deliberations involving his/her own remuneration.	Compliant	<p><i>provides the standard and framework in all aspects of executive remuneration including salaries, allowances, bonuses and other benefits. The standard is benchmarked against pay and employment conditions within the industry and ensures rewards for good performance. It ensures that the salaries and benefits of the BOD and its key officers is aligned with the long term interest of the company.</i></p>	
Optional: Recommendation 2.5			
1. Board approves the remuneration of senior executives.	Compliant	<p>Provide proof of board approval</p> <p><i>The Remuneration Committee recommends and reviews the compensation package of key management positions and the rest of the Senior Executives.</i></p> <p><i>Prior to implementation, the same is subject to BOD's approval.</i></p> <p>link – Board Charter</p>	

<p>2. Company has measurable standards to align the performance-based remuneration of the executive directors and senior executives with long-term interest, such as claw back provision and deferred bonuses.</p>	<p>Compliant</p>	<p>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.</p> <p><i>The Company implements measurable standards such as the KPI or Key Performance Index to align with the performance based remuneration of the executive directors and senior executives, particularly deferred bonuses.</i></p> <p>Link – KPI</p>	
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Recommendation 2.6

<p>1. Board has a formal and transparent board nomination and election policy.</p>	<p>Compliant</p>	<p><i>Provide information or reference to a document containing information on the company's nomination and election policy and process and its implementation, including the criteria used in selecting new directors, how the shortlisted candidates and how it encourages nominations from shareholders.</i></p>	
<p>2. Board nomination and election policy is disclosed in the company's Manual on Corporate Governance.</p>	<p>Non-compliant</p>	<p><i>Provide proof if minority shareholders have a right to nominate candidates to the board</i></p>	
<p>3. Board nomination and election policy includes how the company accepted nominations from minority shareholders.</p>	<p>Compliant</p>	<p><i>Provide information if there was an</i></p>	

4. Board nomination and election policy includes how the board shortlists candidates.	Compliant	<i>assessment of the effectiveness of the Board's processes in the nomination, election or replacement of a director.</i>	
5. Board nomination and election policy includes an assessment of the effectiveness of the Board's processes in the nomination, election or replacement of a director.	Compliant	<i>The Company's Nomination and Election of members of the BOD sets the procedures and guidelines in the director selection process, including the acceptance of nominations from minority stockholders taking into consideration certain factors such as the qualifications set forth in the company's by-laws and other applicable laws, policy or regulation.</i>	
6. Board has a process for identifying the quality of directors that is aligned with the strategic direction of the company.	Compliant	<p><i>The General Information in facts shows that 3 members of the BOD are in fact minority shareholders.</i></p> <p>link--- by laws and GIS</p>	

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.	Non-compliant	<p>Identify the professional search firm used or other external sources of candidates</p> <p>The company is essentially a family corporation. The BOD, save for the independent directors, came from the same family.</p>	<i>The company is essentially a family corporation. The BOD, save for the independent directors, came from the same family.</i>
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Recommendation 2.7

<p>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.</p>	<p>Compliant</p>	<p>Provide information on or reference to a document containing the company's policy on related party transaction, including policy on review and approval of significant RPTs</p>	
<p>2. RPT policy includes appropriate review and approval of material RPTs, which guarantee fairness and transparency of the transactions.</p>	<p>Compliant</p>	<p>Identify transactions that were approved pursuant to the policy.</p>	
<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>The company's BOD has overall responsibility to ensure that there is a group-wide policy and system governing related party transactions and other unusual or infrequently occurring transactions.</p> <p>It is a policy of the Company that all RPTs are done in a fair and arms-length basis which should always be beneficial to the company's interest and its shareholders.</p> <p>The RPT includes that of their shareholders who have direct or indirect control or exercise significant influence over the company, including the Company's directors, officers and shareholders.</p> <p>- Link RPT policy</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>Provide information on a materiality threshold for RPT disclosure and approval, if any.</p> <p>Provide information on RPT categories</p> <p><i>The BOD clearly sets out the parameters and categories which distinguishes de minimis transactions from those that need prior approval from the BOD.</i></p> <p>link ----- RPT policy</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>Non-compliant</p>	<p>Provide information on voting system, if any.</p>	<p><i>There has never been an incident of related-party transactions where shareholders are required to vote. The company will try to comply with this requirement.</i></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>Provide information on or reference to a document containing the Board's policy and responsibility for approving the selection of management.</p> <p>Identify the Management team appointed</p> <p><i>The BOD is primarily responsible for approving the selection of the Management Team led by the President and CEO. The Remuneration Committee endorses to the BOD for approval the promotions to Chief Risk Officer, Chief Compliance Officer and Chief Audit Executive.</i></p> <p><i>The Members of the Management Team are the officers of the company as indicated in the website.</i></p> <p>link – Board Charter and list of officers</p>	
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<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>Provide information on or reference to a document containing the Board's policy and responsibility for assessing the performance of management.</p> <p>Provide information on the assessment process and indicate frequency of assessment of performance.</p> <p>The BOD conducts an annual assessment of the performance of the CEO and the heads of the control functions.</p> <p>link – Board Charter</p>	
Recommendation 2.9			
<p>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.</p>	<p>Compliant</p>	<p>Provide information on or link/reference to a document containing the Board's performance management framework for management and personnel.</p>	

<p>2. Board establishes an effective performance management framework that ensures that personnel's performance is at par with the standards set by the Board and Senior Management.</p>	<p>Compliant</p>	<p><i>The BOD annually review the Management's Performance, principally, the President and CEO.</i></p> <p><i>The annual performance of the Management Team and employees is also assessed through the Key Performance Index (KPI).</i></p> <p>link – sample KPI</p>	
Recommendation 2.10			
<p>1. Board oversees that an appropriate internal control system is in place.</p>	<p>Compliant</p>	<p>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</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><i>The BOD oversees that an appropriate internal control system is in place.</i></p> <p><i>The Audit Committee evaluates the effectiveness of the internal control system of the company.</i></p> <p>link – Board Charter</p>	

3. Board approves the Internal Audit Charter.	Not Compliant	Provide reference or link to the company's Internal Audit Charter The BOD approves the Audit Committee policy.	<i>The Internal Audit Charter is currently being drafted and is yet to be approved by the BOD.</i>
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	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.	
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	Provide proof of effectiveness of risk management strategies, if any <i>The BOD oversees that the company has in place a sound enterprise risk management (ERM) framework to effectively identify, monitor, assess and manage key business risks.</i> link – Board Charter	
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	Provide link to the company's website where the Board Charter is disclosed.	

2. Board Charter serves as a guide to the directors in the performance of their functions.	Compliant	<p><i>The Board Charter provides their functions, their responsibilities and accountabilities of each and every director. It is available and posted in the company's website.</i></p> <p>link – Board Charter</p>	
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.	Not Compliant	Provide information on or link/reference to a document showing company's insider trading policy.	<i>The Company has no insider trading policy as it opines that it does not need to.</i>
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>Provide information on or link/reference to a document showing company's policy on granting loans to directors, if any.</p> <p><i>The company prohibits the granting of loans of any kind to directors, as stated in their Charter.</i></p> <p>- Link Board charter</p>	

<p>2. Company discloses the types of decision requiring board of directors' approval.</p>	<p>Compliant</p>	<p>Indicate the types of decision requiring board of directors' approval and where there are disclosed.</p> <p><i>The types of decisions that require Board Approval are those as indicated in the Board Charter.</i></p> <p>- Link BOD charter</p>	
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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

<p>1. Board establishes board committees that focus on specific board functions to aid in the optimal performance of its roles and responsibilities.</p>	<p>Compliant</p>	<p>Provide information or link/reference to a document containing information on all the board committees established by the company.</p> <p><i>The BOD has created various committees to aid on its functions, namely:</i></p> <ul style="list-style-type: none"> - <i>Executive Committee</i> - <i>Nomination & Renumeration Committee</i> - <i>Audit Committee</i> - <i>Risk Management Committee</i> - <i>Corporate Governance Committee</i> <p>Link : Board Charter</p>	
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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>Provide information or link/reference to a document containing information on the Audit Committee, including its functions.</p> <p>Indicate if it is the Audit Committee's responsibility to recommend the appointment and removal of the company's external auditor.</p> <p><i>The BOD establishes an Audit Committee for the purpose of ensuring that the internal control and external audit is in place.</i></p> <p><i>It likewise is tasked with the appointment or removal of the external auditors.</i></p> <p>Link – Board Charter</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>Not Compliant</p>	<p>Provide information or link/reference to a document containing information on the members of the Audit Committee, including their qualifications and type of directorship.</p>	<p><i>The Audit Committee has only 1 independent director as member. It will try to comply with the directive of having at least 3 independent directors as members.</i></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>Not compliant</p>	<p>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.</p>	<p><i>Not all have a background of accounting, auditing and finance. The company will try to appoint members with the required backgrounds.</i></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>Provide information or link/reference to a document containing information on the Chairman of the Audit Committee</p> <p><i>The Audit Committee is headed by its Head Accountant who is not the Chairman of the Board nor is he the chairman of any other committee.</i></p>	
<p>Supplement to Recommendation 3.2</p>			
<p>1. Audit Committee approves all non-audit services conducted by the external auditor.</p>	<p>Compliant</p>	<p>Provide proof that the Audit Committee approved all non-audit services conducted by the external auditor.</p> <p>Audit Committee approves all non-audit services conducted by the external auditor as indicated in its functions.</p> <p>Link – Board Charter</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>Provide proof that the Audit Committee conducted regular meetings and dialogues with the external audit team without anyone from management present.</p> <p><i>Audit Committee conducts regular meetings and dialogues with the external audit team without anyone from management present.</i></p> <p><i>This is usually done during the annual audit of the financial statements of the company as the documents and queries of the external auditor are usually addressed by the Audit Committee and the Accounting Department.</i></p>	
<p>Optional: Recommendation 3.2</p>			
<p>1. Audit Committee meet at least four times during the year.</p>	<p>Compliant</p>	<p>Indicate the number of Audit Committee meetings during the year and provide proof</p>	
<p>2. Audit Committee approves the appointment and removal of the internal auditor.</p>	<p>Compliant</p>	<p>Provide proof that the Audit Committee approved the appointment and removal of the internal auditor.</p>	
<p>Recommendation 3.3</p>			

<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>Provide information or reference to a document containing information on the Corporate Governance Committee, including its functions</p> <p>Indicate if the Committee undertook the process of identifying the quality of directors aligned with the company's strategic direction, if applicable.</p> <p><i>The Board, under its Board Charter, 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.</i></p> <p>link – Board Charter</p>	
<p>2. Corporate Governance Committee is composed of at least three members, all of whom should be independent directors.</p>	<p>Non-compliant</p>	<p>Provide information or link/reference to a document containing information on the members of the Corporate Governance Committee, including their qualifications and type of directorship.</p>	<p><i>There is only 1 independent director who is a member of the Corporate Governance Committee. The company will comply with this recommendation.</i></p>
<p>3. Chairman of the Corporate Governance Committee is an independent director.</p>	<p>Non-compliant</p>	<p>Provide information or link/reference to a document containing information on the Chairman of the Corporate Governance Committee.</p>	<p><i>The Chairman is not an independent director. The company will comply with this recommendation.</i></p>

Optional: Recommendation 3.3.

<p>1. Corporate Governance Committee meet at least twice during the year.</p>	<p>Compliant</p>	<p>Indicate the number of Corporate Governance Committee meetings held during the year and provide proof thereof.</p> <p>The Corporate Governance Committee meets at least twice a year to discuss and accomplish the annual corporate governance report of the company.</p>	
<p>Recommendation 3.4</p>			
<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>Provide information or link/reference to a document containing information on the Board Risk Oversight Committee (BROC), including its functions</p> <p><i>The BOD establishes a Risk Committee which is responsible for the oversight of the company's risk management system.</i></p> <p>link – Board Charter</p>	
<p>2. BROC is composed of at least three members, the majority of whom should be independent directors, including the Chairman.</p>	<p>Non-compliant</p>	<p>Provide information or link/reference to a document containing information on the members of the BROC, including their qualifications and type of directorship</p>	<p><i>There is no independent director in the Committee.</i></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>Provide information or link/reference to a document containing information on the Chairman of the BROCC</p> <p><i>The Chairman of the Risk committee is Angel Tolentino. He is not the Chairman of the Board nor does he head any other committee.</i></p>	
<p>4. At least one member of the BROCC has relevant thorough knowledge and experience on risk and risk management.</p>	<p>Non-compliant</p>	<p>Provide information or link/reference to a document containing information on the background, skills, and/or experience of the members of the BROCC.</p>	<p><i>The experience is sufficient to the position, however, we cannot provide proof at this time.</i></p>
<p>Recommendation 3.5</p>			
<p>1. Board establishes a Related Party Transactions (RPT) Committee, which is tasked with reviewing all material related party transactions of the company.</p>	<p>Compliant</p>	<p>Provide information or link/reference to a document containing information on the Related Party Transactions (RPT) Committee, including its functions.</p> <p><i>The BOD created an RPT Committee which is tasked with identifying and reviewing all material related party transactions of the company.</i></p> <p>link – board charter</p>	

2. RPT Committee is composed of at least three non-executive directors, two of whom should be independent, including the Chairman.	Non-compliant	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>There are no independent directors in the committee.</i>
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	Provide information on or link/reference to the company's committee charters, containing all the required information, particularly the functions of the Committee that is necessary for performance evaluation purposes.	
2. Committee Charters provide standards for evaluating the performance of the Committees.	Not compliant	<p><i>The BOD established various committee charters with their respective functions.</i></p> <p><i>The list of committees as well as their functions is completely disclosed in the company's website as contained in the Board Charter.</i></p> <p>link- Board Charter</p>	

<p>3. Committee Charters were fully disclosed on the company's website.</p>	<p>Compliant</p>	<p>Provide link to company's website where the Committee Charters are disclosed.</p> <p><i>The BOD established various committee charters with their respective functions.</i></p> <p><i>The list of committees as well as their functions is completely disclosed in the company's website as contained in the Board Charter.</i></p> <p>link- Board Charter</p>	
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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

<p>1. The Directors attend and actively participate in all meetings of the Board, Committees and shareholders in person or through tele-/videoconferencing conducted in accordance with the rules and regulations of the Commission.</p>	<p>Compliant</p>	<p>Provide information or link/reference to a document containing information on the process and procedure for tele/videoconferencing board and/or committee meetings.</p> <p>Provide information or link/reference to a document containing information on the attendance and participation of directors to Board, Committee and shareholders' meetings.</p> <p><i>The directors attend and actively participate in all meetings of the Board. The notices of hearing indicates that they may participate either in person or via tele/videoconference conducted in accordance with the rules and regulations set forth by the SEC.</i></p> <p>link – sample notice of meeting</p>	
<p>2. The directors review meeting materials for all Board and Committee meetings.</p>	<p>Compliant</p>	<p><i>Along with the Notice of Meeting sent to the directors, the Agenda and minutes of the previous meeting are likewise sent beforehand for their reference.</i></p>	

<p>3. The directors ask the necessary questions or seek clarifications and explanations during the Board and Committee meetings.</p>	<p>Compliant</p>	<p>Provide information or link/reference to a document containing information on any questions raised or clarification/explanation sought by the directors</p> <p><i>During the BOD meetings, the directors actively participate and are encouraged to ask their clarificatory questions on matters taken up during the meeting.</i></p>	
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Recommendation 4.2

<p>1. Non-executive directors concurrently serve in a maximum of five publicly-listed companies to ensure that they have sufficient time to fully prepare for minutes, challenge Management's proposals/views, and oversee the long-term strategy of the company.</p>	<p>Compliant</p>	<p>Disclose if the company has a policy setting the limit of board seats that a non-executive director can hold simultaneously.</p> <p>Provide information or reference to a document containing information on the directorships of the company's directors in both listed and non-listed companies</p> <p><i>The non-executive directors only serve as directors of the company as they are stockholders with controlling shares.</i></p>	
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Recommendation 4.3

<p>1. The directors notify the company's board before accepting a directorship in another company.</p>	<p>Not compliant</p>	<p>Provide copy of written notification to the board or minutes of board meeting wherein the matter was discussed.</p>	<p><i>There is only a verbal notice sent to the BOD.</i></p>
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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.	Compliant		
2. Company schedules board of directors' meetings before the start of the financial year. 3.	Compliant		
4. Board of directors meet at least six times during the year.	Compliant	Indicate the number of board meetings during the year and provide proof	
5. Company requires as minimum quorum of at least 2/3 for board decisions.	Compliant	Indicate the required minimum quorum for board decisions The BOD requires a 2/3 approval for the resolution to be passed upon.	
Principle 5: The board should endeavor to exercise an objective and independent judgment on all corporate affairs			
Recommendation 5.1			
1. The Board has at least 3 independent directors or such number as to constitute one-third of the board, whichever is higher.	Not compliant	Provide information or link/reference to a document containing information on the number of independent directors in the board	<i>The Board only has 2 independent directors in its slate.</i>
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>Provide information or link/reference to a document containing information on the qualifications of the independent directors.</p> <p>The independent directors are known in the non-life insurance industry.</p>	
<p>Supplement to Recommendation 5.2</p>			
<p>1. Company has no shareholder agreements, by-laws provisions, or other arrangements that constrain the directors' ability to vote independently.</p>	<p>Compliant</p>	<p>Provide link/reference to a document containing information that directors are not constrained to vote independently.</p> <p><i>The BOD can vote freely at their own accord and is not limited by any agreements set by the company.</i></p> <p>link – Board Charter</p>	
<p>Recommendation 5.3</p>			

<p>1. The independent directors serve for a cumulative term of nine years (reckoned from 2012).</p>	<p>Compliant</p>	<p>Provide information or link/reference to a document showing the years IDs have served as such.</p> <p><i>The independent directors usually serve a period cumulative of nine years, unless, he resigns or because of death.</i></p> <p><i>The General Information Sheets filed with the SEC shows that the independent director, Mr. Manolo Romulo was serving as such.</i></p> <p><i>AttyMallare likewise served for a similar period but was separated from the BOD because of his death.</i></p> <p>link- Board Charter</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>Provide information or link/reference to a document containing information on the company's policy on term limits for its independent director</p> <p><i>The company bars an independent director from serving in such capacity after the term limit of nine years.</i></p> <p>link – Board Charter</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>Provide reference to the meritorious justification and proof of shareholders' approval during the annual shareholders' meeting.</p> <p><i>The independent directors who will still be appointed even beyond the 9-year limit would need approval from the Stockholders and this is done during the election of the members of the BOD during the annual stockholders meeting.</i></p> <p>link – Board Charter</p>	
Recommendation 5.4			
<p>1. The positions of Chairman of the Board and Chief Executive Officer are held by separate individuals.</p>	<p>Compliant</p>	<p>Identify the company's Chairman of the Board and Chief Executive Officer</p> <p>The Chairman of the BOD is Mr. Manolo Romulo. The CEO is the Mr. Domingo Cotoco, as shown in the General Information Sheet. They are 2 separate individuals.</p> <p>--link recent General Info Sheet</p>	

<p>2. The Chairman of the Board and Chief Executive Officer have clearly defined responsibilities.</p>	<p>Compliant</p>	<p>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.</p> <p>Identify the relationship of Chairman and CEO.</p> <p><i>The company, in its by-laws, specifically provides for the duties and responsibilities of all the officers, including the Chairman of the BOD and the Chief Executive Officer.</i></p> <p>- Link by-laws& Board Charter</p>	
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Recommendation 5.5

<p>1. If the Chairman of the Board is not an independent director, the board designates a lead director among the independent directors.</p>	<p>Compliant</p>	<p>Provide information or link/reference to a document containing information on a lead independent director and his roles and responsibilities, if any.</p> <p>Indicate if Chairman is independent.</p> <p>The current Chairman of the BOD is an independent director and is not one of the executive of the company.</p> <p>- Link Gen. Info Sheet</p>	
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Recommendation 5.6

<p>1. Directors with material interest in a transaction affecting the corporation abstain from taking part in the deliberations on the transaction.</p>	<p>Compliant</p>	<p>Provide proof of abstention, if this was the case</p> <p><i>This is a rare occurrence which must pass the strict standards set by the Risk Committee and the RPT Committee.</i></p> <p><i>Nevertheless, the BOD has a policy that if this is the case, the director involved should refrain from taking part in the deliberations of the transaction.</i></p>	
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Recommendation 5.7

<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>Not compliant</p>	<p>Provide proof and details of said meeting, if any.</p> <p>Provide information on the frequency and attendees of meetings.</p>	<p><i>The independent directors do not meet with the external auditors.</i></p>
<p>2. The meetings are chaired by the lead independent director.</p>	<p>Not compliant</p>		

Optional: Principle 5

<p>1. None of the directors is a former CEO of the company in the past 2 years.</p>		<p>Provide name/s of company CEO for the past 2 years</p> <p>Company CEO is Mr. Domingo Cotoco.</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.	Not compliant	Provide proof of self-assessments conducted for the whole board, the individual members, the Chairman and the Committees	<i>Although these items set out in 6.1 and 6.2 are stated in the Board Charter, there were no annual self- assessment conducted by the members of the Board.</i>
2. The Chairman conducts a self-assessment of his performance.	Not compliant		
3. The individual members conduct a self-assessment of their performance.	Not compliant		
4. Each committee conducts a self-assessment of its performance.	Not compliant		
5. Every three years, the assessments are supported by an external facilitator.	Not compliant	Identify the external facilitator and provide proof of use of an external facilitator.	
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.	Not compliant	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	
2. The system allows for a feedback mechanism from the shareholders.	Not compliant		

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

<p>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.</p>	<p>Compliant</p>	<p>Provide information on or link/reference to the company's Code of Business Conduct and Ethics</p> <p><i>The BOD, under its charter, adopts various guidelines on the business conduct and ethics which each director and the rest of the officers and employees must abide to including the acceptable and unacceptable conducts and practices in internal and external dealings with the company.</i></p> <p>- Link Functions of the company rules and regulations (portion on ethical standards)</p>	
<p>2. The Code is properly disseminated to the Board, senior management and employees.</p>	<p>Compliant</p>	<p>Provide information on or discuss how the company disseminated the Code to its Board, senior management and employees.</p> <p><i>The company rules and regulations has been disseminated to each and every employee by email and the hard copy is posted in the bulletin board.</i></p> <p><i>For each new employee, during the orientation, a copy of the employee manual is given to the employee for his reference.</i></p>	

<p>3. The Code is disclosed and made available to the public through the company website.</p>	<p>Compliant</p>	<p>Provide a link to the company's website where the Code of BusinessConduct and Ethics is posted/ disclosed.</p> <p><i>A portion of the employee's manual on ethical standards is posted in the company's website.</i></p> <p>link – rules and regulations on ethical standards</p>	
Supplement to Recommendation 7.1			
<p>1. Company has clear and stringent policies and procedures on curbing and penalizing company involvement in offering, paying and receiving bribes.</p>	<p>Compliant</p>	<p>Provide information on or link/reference to a document containing information on the company's policy and procedure on curbing and penalizing bribery</p> <p><i>The company has a clear and strict policy and curbing and penalizing company involvement in offering, paying and receiving bribes.</i></p> <p><i>The employee's manual – company rules and regulations, expressly prohibits an officer or employee from accepting or offering bribes.</i></p> <p>link- company rules and regulations - section on ethical standards</p>	
Recommendation 7.2			

<p>1. Board ensures the proper and efficient implementation and monitoring of compliance with the Code of Business Conduct and Ethics.</p>	<p>Compliant</p>	<p>Provide proof of implementation and monitoring of compliance with the Code of Business Conduct and Ethics and internal policies.</p>	
<p>2. Board ensures the proper and efficient implementation and monitoring of compliance with company internal policies.</p>	<p>Compliant</p>	<p>Indicate who are required to comply with the Code of Business Conduct and Ethics and any findings on non-compliance.</p> <p><i>The BOD ensures the proper and efficient implementation and monitoring of compliance with its policies on business conduct and ethics.</i></p> <p><i>The same is contained in the company rules and is furnished to each and every employee of the company.</i></p> <p>link- company rules on ethics</p>	

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>Provide information on or link/reference to the company's disclosure policies and procedures including reports distributed/made available to shareholders and other stockholders.</p> <p><i>The BOD implements corporate disclosure policies and procedures to ensure that the stockholders are provided a comprehensive, accurate, reliable and timely report for them to be given a complete picture of a company's financial condition and business operations.</i></p> <p><i>The annual audited FS is being filed yearly with SEC and copies are furnished to each stockholder as soon as they are available.</i></p>	
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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>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.</p> <p><i>The company implements full disclosure of its current financial standing and provides its stakeholders copies of the annual and quarterly consolidated reports, cash flow statements and special audit revisions.</i></p> <p><i>Interim reports are made available within 45 days from the end of the reporting period and the annual consolidated financial statements are published within 90 days from the end of the fiscal year.</i></p>	
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<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>Provide link or reference to the company's annual report where the following are disclosed:</p> <ol style="list-style-type: none"> 1. principal risks to minority shareholders associated with the identity of the company's controlling shareholders; 2. cross-holdings among company affiliates; and 3. any imbalances between the controlling shareholders' voting power and overall equity position in the company. <p><i>The 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.</i></p> <p><i>The audited financial statements and annual report is filed annually with the SEC and the Insurance Commission.</i></p>	
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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.	Not compliant	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>There is no incident of this type since the shares are not publicly traded.</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.	Not compliant	Indicate actual dealings of directors involving the corporation's shares including their nature, number/percentage and date of transaction.	

Supplement to Recommendation 8.2

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).	Not compliant	Provide information on or link/reference to the shareholdings of directors, management and top 100 shareholders. Provide link or reference to the company's Conglomerate Map.	<i>Not applicable since there is no incident of this type since the shares are not publicly traded.</i>
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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>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.</p> <p><i>The company only selects members of the BOD based on qualifications and experience. All relevant and material information on the circumstances of a member of the BOD are disclosed to assess any potential conflicts that may arise.</i></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>Provide link or reference to the key officers' academic qualifications, share ownership in the company, membership in other boards, other executive positions, professional experiences, expertise and relevant trainings attended.</p> <p><i>The company only selects its key executives based on qualifications and experience. All relevant and material information on the circumstances of a key executive are disclosed to assess any potential conflicts that may arise.</i></p>	

Recommendation 8.4

<p>1. Company provides a clear disclosure of its policies and procedure for setting Board remuneration, including the level and mix of the same.</p>	<p>Compliant</p>	<p>Disclose or provide link/reference to the company policy and practice for setting board remuneration</p> <p><i>The company, thru its Remuneration Committee, provides for a monthly per diem for each director as provided In the Board Charter.</i></p> <p>link – Board Charter</p>	
<p>2. Company provides a clear disclosure of its policies and procedure for setting executive remuneration, including the level and mix of the same.</p>	<p>Compliant</p>	<p>Disclose or provide link/reference to the company policy and practice for determining executive remuneration</p> <p><i>The company, thru its Remuneration Committee, ensures that the executive's compensations and benefits are at par with industry standards.</i></p>	
<p>3. Company discloses the remuneration on an individual basis, including termination and retirement provisions.</p>	<p>Not compliant</p>	<p>Provide breakdown of director remuneration and executive compensation, particularly the remuneration of the CEO.</p>	<p><i>The per diem of each director as to the amount is not disclosed.</i></p>
Recommendation 8.5			
<p>1. Company discloses its policies governing Related Party Transactions (RPTs) and other unusual or infrequently occurring transactions in their Manual on Corporate Governance.</p>	<p>Not compliant</p>	<p>Disclose or provide reference/link to company's RPT policies</p> <p>Indicate if the director with conflict of interest abstained from the board discussion on that particular transaction.</p>	<p><i>No incidence of this kind.</i></p>

<p>2. Company discloses material or significant RPTs reviewed and approved during the year.</p>	<p>Nocompliant</p>	<p>Provide information on all RPTs for the previous year or reference to a document containing the following information on all RPTs:</p> <ol style="list-style-type: none"> 1. name of the related counterparty; 2. relationship with the party; 3. transaction date; 4. type/nature of transaction; 5. amount or contract price; 6. terms of the transaction; 7. rationale for entering into the transaction; 8. the required approval (i.e., names of the board of directors approving, names and percentage of shareholders who approved) based on the company's policy; and 9. other terms and conditions 	<p><i>No incidence of this kind.</i></p>
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Supplement to Recommendation 8.5

<p>1. Company requires directors to disclose their interests in transactions or any other conflict of interests.</p>	<p>Compliant</p>	<p>Indicate where and when directors disclose their interests in transactions or any other conflict of interests.</p> <p><i>The Company requires directors to disclose their interests in transactions or any other conflict of interests.</i></p> <p><i>When a director enters into any transaction where a conflict of interest may arise, he should immediately inform the BOD and seek prior approval before any agreement is entered into.</i></p>	
<p>Optional : Recommendation 8.5</p>			
<p>1. Company discloses that RPTs are conducted in such a way to ensure that they are fair and at arms' length.</p>	<p>Compliant</p>	<p>Provide link or reference where this is disclosed, if any</p>	
<p>Recommendation 8.6</p>			
<p>1. Company makes a full, fair, accurate and timely disclosure to the public of every material fact or event that occur, particularly on the acquisition or disposal of significant assets, which could adversely affect the viability or the interest of its shareholders and other stakeholders.</p>	<p>Not compliant</p>	<p>Provide link or reference where this is disclosed</p>	<p><i>This is not applicable and there is no incidence of this nature.</i></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>Identify independent party appointed to evaluate the fairness of the transaction price</p> <p>Disclose the rules and procedures for evaluating the fairness of the transaction price, if any.</p> <p><i>The BOD appoints an independent party to evaluate the fairness of the transaction price on the acquisition or disposal of assets of the company.</i></p> <p><i>The independent appraisal party conducts an evaluation and appraisal of the subject asset prior to the conclusion of any contract.</i></p>	
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Supplement to Recommendation 8.6

<p>1. Company discloses the existence, justification and details on shareholder agreements, voting trust agreements, confidentiality agreements, and such other agreements that may impact on the control, ownership, and strategic direction of the company.</p>	<p>Compliant</p>	<p>Provide link or reference where these are disclosed.</p> <p><i>The company has various agreements to address the control and ownership of the company: eg: shareholder agreements, voting trusts, confidentiality agreements, etc.</i></p>	
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Recommendation 8.7

1. Company's corporate governance policies, programs and procedures are contained in its Manual on Corporate Governance (MCG).	Compliant	Provide link to the company's website where the Manual on Corporate Governance is posted.	<i>The MCG was not posted in the website nor submitted to the SEC. The company will comply with this recommendation.</i>
2. Company's MCG is submitted to the SEC and PSE.	Not compliant		
3. Company's MCG is posted on its company website.	Not 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.	Not-compliant	Provide proof of submission.	
Optional: Principle 8			
1. Does the company's Annual Report disclose the following information:		Provide link or reference to the company's Annual Report containing the said information.	
a. Corporate Objectives	Compliant	<i>The company's corporate objectives, financial performance indicators, non-financial performance indicators and dividend policy are all disclosed and contained in the Annual Report and Audited Financial Statement of</i>	
b. Financial performance indicators	Compliant		

c. Non-financial performance indicators	Compliant	<i>the company.</i> <i>These documents are submitted and/or filed with the SEC and the Insurance Commission annually.</i>	
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	Not compliant		
f. Attendance details of each director in all directorsmeetings held during the year	Not compliant		<i>This is not disclosed.</i>
g. Total remuneration of each member of the board of directors	Not compliant		
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.	Not compliant	Provide link or reference to where this is contained in the Annual Report	

<p>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.</p>	<p>Compliant</p>	<p>Provide link or reference to where this is contained in the Annual Report</p> <p><i>The Annual 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.</i></p> <p><i>The Annual Report and Audited Financial Statements are submitted and/or filed with the SEC and IC annually.</i></p>	
<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>Provide link or reference to where this is contained in the Annual Report</p> <p><i>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.</i></p> <p><i>The Annual Report and Audited Financial Statements are submitted and/or filed with the SEC and IC annually.</i></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>Provide link or reference to where these are contained in the Annual Report</p> <p><i>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).</i></p> <p><i>The Annual Report and Audited Financial Statements are submitted and/or filed with the SEC and IC annually.</i></p>	
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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>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.</p> <p><i>Audit Committee has a process for approving and recommending the appointment, reappointment, removal, and fees of the external auditors.</i></p> <p><i>The power is contained in the detailed functions of the Audit Committee.</i></p> <p>link – Board Charter</p>	
<p>2. The appointment, reappointment, removal, and fees of the external auditor is recommended by the Audit Committee, approved by the Board and ratified by the shareholders.</p>	<p>Compliant</p>	<p>Indicate the percentage of shareholders that ratified the appointment, reappointment, removal and fees of the external auditor.</p> <p>link – Board Charter</p>	
<p>3. For removal of the external auditor, the reasons for removal or change are disclosed to the regulators and the public through the company website and required disclosures.</p>	<p>Not compliant</p>	<p>Provide information on or link/reference to a document containing the company's reason for removal or change of external auditor.</p>	<p><i>This is not reported or disclosed.</i></p>

Supplement to Recommendation 9.1			
1. Company has a policy of rotating the lead audit partner every five years.	Not compliant	Provide information on or link/reference to a document containing the policy of rotating the lead audit partner every five years.	
Recommendation 9.2			
<p>1. Audit Committee Charter includes the Audit Committee's responsibility on:</p> <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	<p>Provide link/reference to the company's Audit Committee Charter</p> <p><i>The functions of the Audit Committee is contained in the Board Charter.</i></p> <p>link – Board Charter</p>	

<p>2. Audit Committee Charter contains the Committee's responsibility on reviewing and monitoring the external auditor's suitability and effectiveness on an annual basis.</p>	<p>Compliant</p>	<p>Provide link/reference to the company's Audit Committee Charter</p> <p><i>The Audit Committee Charter contains the Committee's responsibility on reviewing and monitoring the external auditor's suitability and effectiveness on an annual basis as contained in the Board Charter.</i></p> <p>link – Board Charter</p>	
<p>Supplement to Recommendations 9.2</p>			
<p>1. Audit Committee ensures that the external auditor is credible, competent and has the ability to understand complex related party transactions, its counterparties, and valuations of such transactions.</p>	<p>Compliant</p>	<p>Provide link/reference to the company's Audit Committee Charter</p> <p><i>The company's Audit Committee ensures that the external auditor is credible, competent and has the ability to understand complex related party transactions, its counterparties, and valuations of such transactions.</i></p> <p>link – Board Charter</p>	

<p>2. Audit Committee ensures that the external auditor has adequate quality control procedures.</p>	<p>Compliant</p>	<p>Provide link/reference to the company's Audit Committee Charter</p> <p><i>The Audit Committee ensures that the external auditor has adequate control procedures.</i></p> <p>link – Board Charter</p>	
<p>Recommendation 9.3</p>			
<p>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.</p>	<p>Compliant</p>	<p>Disclose the nature of non-audit services performed by the external auditor, if any.</p> <p><i>The same is disclosed in the Annual Report submitted to the SEC and the IC.</i></p>	
<p>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.</p>	<p>Compliant</p>	<p>The Audit Committee stays alert for any potential conflict of interest situations, given the guidelines or policies on non-audit services, which could be viewed as impairing the external auditor's objectivity.</p> <p><i>The statement is contained in the Annual Report of the company.</i></p>	
<p>Supplement to Recommendation 9.3</p>			
<p>1. Fees paid for non-audit services do not outweigh the fees paid for audit services.</p>		<p>Provide information on audit and non-audit fees paid.</p> <p><i>No information on the audit fees and non-audit fees paid.</i></p>	

Additional Recommendation to Principle 9

<p>1. Company's external auditor is duly accredited by the SEC under Group A category.</p>	<p>Compliant but under Group B category</p>	<p>Provide information on company's external auditor:</p> <ol style="list-style-type: none"> 1. <i>Name of the audit engagement partner – BDO Roxas Cruz Tagle & Co.</i> 2. <i>Accreditation number- 1809-A-SEC, Group B</i> 3. <i>Date Accredited – March 31, 2020</i> 4. <i>Expiry date of accreditation- March 31, 2023</i> 5. <i>Name, address, contact number of the audit firm- Clark Joseph C. Babor (partner) 2/F, Multinational Bancorporation Centre, 6805 Ayala Ave., Makati City 1226 Tel. No. 88442016</i> 	
<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>	<p>No information</p>	<p>Provide information on the following:</p> <ol style="list-style-type: none"> 1. Date it was subjected to SOAR inspection, if subjected; 2. Name of the Audit firm; and 3. Members of the engagement team inspected by the SEC. 	

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

Recommendation 10.1			
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.	Not Compliant	Disclose or provide link on the company's policies and practices on the disclosure of non-financial information, including EESG issues.	<i>This is only contained in the Board Charter</i>
2. Company adopts a globally recognized standard/framework in reporting sustainability and non-financial issues.	Not Compliant	Provide link to Sustainability Report, if any. Disclose the standards used.	<i>This is only contained in the Board Charter</i>
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.	Not compliant	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>The company is not publicly listed thus we do not see the need.</i>
Supplemental to Principle 11			
1. Company has a website disclosing up-to-date information on the following:		Provide link to company website - Link to AOI and by laws	<i>The company is not publicly listed thus we do not see the need.</i>

a. Financial statements/reports (latest quarterly)	Not compliant		
b. Materials provided in briefings to analysts and media	Not compliant		
c. Downloadable annual report	Not compliant		
d. Notice of ASM and/or SSM	Not compliant		
e. Minutes of ASM and/or SSM	Not compliant		
f. Company's Articles of Incorporation and By-Laws	Compliant		

Additional Recommendation to Principle 11

1. Company complies with SEC-prescribed website template.	Not compliant		
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Internal Control System and Risk Management Framework

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

Recommendation 12.1

<p>1. Company has an adequate and effective internal control system in the conduct of its business.</p>	<p>Compliant</p>	<p>List quality service programs for the internal audit functions.</p> <p>Indicate frequency of review of the internal control system</p> <p><i>The internal control system is reviewed on a twice a year basis.</i></p>	
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<p>2. Company has an adequate and effective enterprise risk management framework in the conduct of its business.</p>	<p>Compliant</p>	<p>Identify international framework used for Enterprise Risk Management</p> <p>Provide information or reference to a document containing information on:</p> <ol style="list-style-type: none"> 1. Company's risk management procedures and processes- a. all transactions which are under the threshold amount are already subjected to risk evaluation. Afterwhich, prior BOD approval is needed to proceed with the execution of the contract. 2. Key risks the company is currently facing- fire and other insurance involving a large amount of premium 3. How the company manages the key risks- in cases of insurance which involves a large coverage, the same is reinsured to manage the exposure and risk. <p>Indicate frequency of review of the enterprise risk management framework.</p> <p><i>The enterprise risk management framework is reviewed on twice annually.</i></p>	
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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>	<p>Compliant</p>	<p>Provide information on or link/reference to a document containing the company's compliance program covering compliance with laws and relevant regulations.</p> <p>Indicate frequency of review.</p> <p><i>The compliance officer is tasked to regularly update the company of any issuances that the Insurance Commission may issue in order to comply and submit the necessary requirements on time.</i></p>	
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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>	<p>Not compliant</p>	<p>Provide information on IT governance process</p>	
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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>	<p>Compliant</p>	<p>Disclose if the internal audit is in-house or outsourced. If outsourced, identify external firm.</p> <p><i>Company has in place an independent internal audit function that provides an independent and objective assurance. The internal audit is in house.</i></p>	
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Recommendation 12.3

1. Company has a qualified Chief Audit Executive (CAE) appointed by the Board.	Not compliant	Identify the company's Chief Audit Executive (CAE) and provide information on or reference to a document containing his/her responsibilities.	<i>The written information is not available at this time.</i>
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.	Not compliant		
3. In case of a fully outsourced internal audit activity, a qualified independent executive or senior management personnel is assigned the responsibility for managing the fully outsourced internal audit activity.	Not compliant	Identify qualified independent executive or senior management personnel, if applicable.	<i>The company does not outsource internal audit. It is done in house.</i>

Recommendation 12.4

<p>1. Company has a separate risk management function to identify, assess and monitor key risk exposures.</p>	<p>Compliant</p>	<p>Provide information on company's risk management function.</p> <p><i>Company has a separate risk management function to identify, assess and monitor key risk exposures. The risk management committee handles all accounts and transactions which are initially perceived as high risk for the company and to ensure that all transactions entered by the company is done at arms-length transactions.</i></p>	
<p>Supplement to Recommendation 12.4</p>			
<p>1. Company seeks external technical support in risk management when such competence is not available internally.</p>	<p>Not compliant</p>	<p>Identify source of external technical support, if any.</p>	<p>The company does not outsource risk management support.</p>
<p>Recommendation 12.5</p>			
<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>Identify the company's Chief Risk Officer (CRO) and provide information on or reference to a document containing his/her responsibilities and qualifications/background.</p> <p><i>The Chief Risk Officer is Angel Tolentino who is also an executive of the company.</i></p>	

2. CRO has adequate authority, stature, resources and support to fulfill his/her responsibilities.	Compliant	<i>The Chief Risk Officer is Angel Tolentino who is also an executive of the company.</i>	
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.	Not compliant	Provide link to CEO and CAE's attestation	<i>There is no attestation in writing.</i>
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	Provide link or reference to the company's Manual on Corporate Governance where shareholders' rights are disclosed. <i>The BOD ensures that basic shareholder rights are disclosed in the Manual on Corporate Governance.</i> <i>The Manual Corporate Governance is already in the company's files.</i>	
2. Board ensures that basic shareholder rights are disclosed on the company's website.	Not compliant	Provide link to company's website	
Supplement to Recommendation 13.1			

1. Company's common share has one vote for one share.	Compliant	<p><i>The company only issues a single class of share, common shares, which has 1 vote per share.</i></p> <p><i>This is provided in the company's Articles of Incorporation and By-Laws.</i></p>	
2. Board ensures that all shareholders of the same class are treated equally with respect to voting rights, subscription rights and transfer rights.	Compliant	<p>Provide information on all classes of shares, including their voting rights if any.</p> <p><i>The company only issues a single class of share, common shares, which has 1 vote per share.</i></p> <p><i>This is provided in the company's Articles of Incorporation and By-Laws.</i></p>	
3. Board has an effective, secure, and efficient voting system.	Compliant	<p>Provide link to voting procedure. Indicate if voting is by poll or show of hands.</p> <p><i>The voting is by show of hands considering that there are only a small number of stockholders involved in the election of the BOD and other matters.</i></p>	
4. Board has an effective shareholder voting mechanisms such as supermajority or "majority of minority" requirements to protect minority shareholders against actions of controlling shareholders.	Not compliant	Provide information on shareholder voting mechanisms such as supermajority or "majority of minority", if any.	

<p>5. Board allows shareholders to call a special shareholders' meeting and submit a proposal for consideration or agenda item at the AGM or special meeting.</p>	<p>Compliant</p>	<p>Provide information on how this was allowed by board (i.e., minutes of meeting, board resolution)</p> <p><i>The BOD allows shareholders to call a special shareholders' meeting and submit a proposal for consideration or agenda item at the AGM or special meeting.</i></p> <p><i>Prior to the actual meeting, the Corporate Secretary sends out all notices of the meeting and the stockholders are allowed to submit a proposal or agenda for consideration at the meeting.</i></p>	
<p>6. Board clearly articulates and enforces policies with respect to treatment of minority shareholders.</p>	<p>Compliant</p>	<p>Provide information or link/reference to the policies on treatment of minority shareholders</p> <p><i>The BOD gives due respect to the rights of the minority shareholders and allows them equal rights and equal voice as to the affairs of the corporation the same as with the majority shareholders.</i></p>	

<p>7. Company has a transparent and specific dividend policy.</p>	<p>Not compliant</p>	<p>Provide information on or link/reference to the company's dividend Policy.</p> <p>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</p>	
<p>Optional: Recommendation 13.1</p>			
<p>1. Company appoints an independent party to count and/or validate the votes at the Annual Shareholders' Meeting.</p>	<p>Not compliant</p>	<p>Identify the independent party that counted/validated the votes at the ASM, if any.</p> <p>Not needed considering the small number of shareholders.</p>	
<p>Recommendation 13.2</p>			

<p>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.</p>	<p>Compliant</p>	<p>Indicate the number of days before the annual stockholders' meeting or special stockholders' meeting when the notice and agenda were sent out</p> <p>Indicate whether shareholders' approval of remuneration or any changes therein were included in the agenda of the meeting.</p> <p>Provide link to the Agenda included in the company's Information Statement (SEC Form 20-IS)</p> <p><i>Prior to the date of the actual meeting, the notice of meeting with the attached agenda are sent to all stockholders at least a month before the date of the meeting to give them the opportunity to give their comments thereto.</i></p> <p><i>Stockholders are given the opportunity to send their proposals for the meeting.</i></p>	
Supplemental to Recommendation 13.2			
<p>1. Company's Notice of Annual Stockholders' Meeting contains the following information:</p>		<p>Provide link or reference to the company's notice of Annual Shareholders' Meeting</p>	

a. The profiles of directors (i.e., age, academic qualifications, date of first appointment, experience, and directorships in other listed companies)	Not compliant		
b. Auditors seeking appointment/re-appointment	Compliant	<i>The agenda will state it if there is a need.</i>	
c. Proxy documents	Compliant	<i>The agenda sent out to the shareholders likewise includes as attachment a proxy form in case the stockholder intends to attend the meeting by proxy.</i> link – proxy form	
Optional: Recommendation 13.2			
1. Company provides rationale for the agenda items for the annual stockholders meeting	Not Compliant	Provide link or reference to the rationale for the agenda items	
Recommendation 13.3			

<p>1. Board encourages active shareholder participation by making the result of the votes taken during the most recent Annual or Special Shareholders' Meeting publicly available the next working day.</p>	<p>Compliant</p>	<p>Provide information or reference to a document containing information on all relevant questions raised and answers during the ASM and special meeting and the results of the vote taken during the most recent ASM/SSM.</p> <p><i>Considering the small number of shareholders involved, results of the voting are usually announced during the meeting itself.</i></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>Not compliant</p>	<p>Provide link to minutes of meeting in the company website.</p> <p>Indicate voting results for all agenda items, including the approving, dissenting and abstaining votes.</p> <p>Indicate also if the voting on resolutions was by poll.</p> <p>Include whether there was opportunity to ask question and the answers given, if any</p>	<p><i>Minutes are only kept with the Corporate Secretary and is not available publicly.</i></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>Not compliant</p>	<p>Indicate if the external auditor and other relevant individuals were present during the ASM and/or special meeting</p>	
<p>Recommendation 13.4</p>			

<p>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.</p>	<p>Compliant</p>	<p>Provide details of the alternative dispute resolution made available to resolve intra-corporate disputes</p> <p><i>The BOD ensures that in case issues or disputes arise which involves an intra corporate matter, the same will be resolved in an amicable and effective manner, considering that the stockholders belong to the same family.</i></p> <p><i>Usually, the issues will be referred directly to the BOD for consideration after which it is immediately acted upon, which BOD either calls a meeting to discuss and resolve the matter.</i></p>	
<p>2. The alternative dispute mechanism is included in the company's Manual on Corporate Governance.</p>	<p>Compliant</p>	<p>Provide link/reference to where it is found in the Manual on Corporate Governance</p> <p><i>The alternative dispute mechanism is included in the company's Manual on Corporate Governance.</i></p>	
Recommendation 13.5			
<p>1. Board establishes an Investor Relations Office (IRO) to ensure constant engagement with its shareholders.</p>	<p>Not compliant</p>	<p>Disclose the contact details of the officer/office responsible for investor relations, such as:</p> <ol style="list-style-type: none"> 1. Name of the person 2. Telephone number 3. Fax number 4. E-mail address 	<p><i>The company does not have an IRO.</i></p>

2. IRO is present at every shareholder's meeting.	Not compliant	Indicate if the IRO was present during the ASM.	
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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	Not compliant	Provide information on how anti-takeover measures or similar devices were avoided by the board, if any.	
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2. Company has at least thirty percent (30%) public float to increase liquidity in the market.	Not compliant	Indicate the company's public float.	
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Optional: Principle 13

1. Company has policies and practices to encourage shareholders to engage with the company beyond the Annual Stockholders' Meeting	Compliant	Disclose or provide link/reference to policies and practices to encourage shareholders' participation beyond ASM	
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2. Company practices secure electronic voting in absentia at the Annual Shareholders' Meeting.	Compliant	<p>Disclose the process and procedure for secure electronic voting in absentia, if any.</p> <p>The agenda includes an option of either voting by proxy or by electronic voting in absentia in case the stockholder cannot attend the scheduled stockholders meeting in person.</p>	
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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

<p>1. Board identifies the company's various stakeholders and promotes cooperation between them and the company in creating wealth, growth and sustainability.</p>	<p>Compliant</p>	<p>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.</p> <p><i>The Board adopts this policy for its shareholders.</i></p>	
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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>Identify policies and programs for the protection and fair treatment of company's stakeholders</p> <p><i>The BOD establishes clear policies and programs to provide a mechanism on the fair treatment and protection of stakeholders.</i></p> <p><i>As stated previously, the BOD implements an intra corporate dispute mechanism to address all concerns of stockholders, be it majority or minority stockholders.</i></p> <p><i>Even the agenda in the stockholders meeting provides an opportunity for the stockholders to raise their proposals to be included in the agenda for the next scheduled meeting.</i></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 obtain redress for the violation of their rights.</p>	<p>Compliant</p>	<p>Provide the contact details (i.e., name of contact person, dedicated phone number or e-mail address, etc.) which stakeholders can use to voice their concerns and/or complaints for possible violation of their rights.</p> <p>Provide information on whistleblowing policy, practices and procedures for stakeholders</p> <p><i>The BOD establishes clear policies and programs to provide a mechanism on the fair treatment and protection of stakeholders.</i></p> <p><i>As stated previously, the BOD implements a intra corporate dispute mechanism to address all concerns of stockholders, be it majority or minority stockholders.</i></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>Provide information on the alternative dispute resolution system established by the company.</p> <p><i>As stated previously, the BOD implements a intra corporate dispute mechanism to address all concerns of stockholders, be it majority or minority stockholders.</i></p>	
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Additional Recommendations to Principle 14

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.	Compliant	Disclose any requests for exemption by the company and the reason for the request. <i>The Company faithfully abides by all the directives issued by the SEC and the Insurance Commission. It does not seek any exemption from the application of a law, rule or regulation especially when it refers to a corporate governance issue.</i>	
2. Company respects intellectual property rights.	Compliant	Provide specific instances, if any.	
Optional: Principle 14			
1. Company discloses its policies and practices that address customers' welfare	Not compliant	Identify policies, programs and practices that address customers' welfare or provide link/reference to a document containing the same.	
2. Company discloses its policies and practices that address supplier/contractor selection procedures	Not compliant	Identify policies, programs and practices that address supplier/contractor selection procedures or provide link/reference to a document containing the same.	
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>Provide information on or link/reference to company policies, programs and procedures that encourage employee participation.</p> <p><i>The BOD establishes policies, programs and procedures that encourage employees to actively participate in the realization of the company's goals and in its governance.</i></p> <p><i>The company observes the usual teambuilding and other employees activities to boost the morale of the employees and to encourage them to actively participate in the company's activities.</i></p>	
<p>Supplement to Recommendation 15.1</p>			

<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>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.</p> <p><i>Board establishes policies, programs and procedures that encourage employees to actively participate in the realization of the company's goals and in its governance.</i></p> <p><i>The Company has a reward/compensation policy that accounts for the performance of the company beyond short-term financial measures. It currently implements the Key Performance Index (KPI) which is an annual evaluation of the performance of all employees across all departments and the results thereof would be the basis for the award of the yearly Performance Bonus given to the employees.</i></p> <p>link - KPI</p>	
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<p>2. Company has policies and practices on health, safety and welfare of its employees.</p>	<p>Compliant</p>	<p>Disclose and provide information on policies and practices on health, safety and welfare of employees. Include statistics and data, if any.</p> <p><i>Company has policies and practices on health, safety and welfare of its employees.</i></p> <p><i>The company rules and regulations provide for the policies on health and safety of the employees .</i></p> <p><i>During the COVID pandemic , the company implements policies referring to the safety of the employees in the workplace by way of issuance of several memorandums on sanitation, quarantine, tests, among others.</i></p> <p>link – rules and regulations, COVID issuances</p>	
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<p>3. Company has policies and practices on training and development of its employees.</p>	<p>Compliant</p>	<p>Disclose and provide information on policies and practices on training and development of employees. Include information on any training conducted or attended.</p> <p><i>The Company has policies and practices in place on training and development of its employees. In fact, a new employee has to go through the mandatory product orientation given by the company as an employment requirement.</i></p> <p><i>In the same vein, old employees are also required to undergo a continuing training with third party education providers.</i></p>	
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Recommendation 15.2

<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>Identify or provide link/reference to the company's policies, programs and practices on anti-corruption</p> <p><i>The BOD sets the tone and makes a stand against corrupt practices by adopting an anti-corruption policy and program and the same is contained in the company's rules and regulations.</i></p> <p>link- company rules & regulations</p>	
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<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>Identify how the board disseminated the policy and program to employees across the organization</p> <p><i>The employees are aware of the company's policy on anti-corruption. The same is embodied in the company's rules and regulations and the same is disseminated to employees for compliance.</i></p> <p>link – company rules & regulations</p>	
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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>	<p>Compliant</p>	<p>Identify or provide link/reference to the company policy and procedures on penalizing employees involved in corrupt practices.</p> <p>Include any finding of violations of the company policy.</p> <p><i>The company imposes a strict policy on anti-bribery and anti-corruption. The rules and regulations contain this policy and imposes sanctions and penalties to whoever commits any violation.</i></p>	
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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>	<p>Not compliant</p>	<p>Disclose or provide link/reference to the company whistle-blowing policy and procedure for employees.</p> <p>Indicate if the framework includes procedures to protect the employees from retaliation.</p> <p>Provide contact details to report any illegal or unethical behavior.</p>	<p><i>There is no incidence of whistleblowing within the company.</i></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>Not compliant</p>		
<p>3. Board supervises and ensures the enforcement of the whistleblowing framework.</p>	<p>Not compliant</p>	<p>Provide information on how the board supervised and ensured enforcement of the whistleblowing framework, including any incident of whistleblowing.</p>	

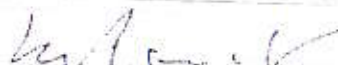
Principle 16: The company should be socially responsible in all its dealings with the communities where it operates. It should ensure that its interactions serve its environment and stakeholders in a positive and progressive manner that is fully supportive of its comprehensive and balanced development.


Recommendation 16.1

<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>Provide information or reference to a document containing information on the company's community involvement and environment-related programs.</p> <p><i>The companysponsors sports related events.</i></p>	
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Optional Principle 16			
1. Company ensures that its value chain is environmentally friendly or is consistent with promoting sustainable development	Compliant	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.	
2. Company exerts effort to interact positively with the communities in which it operates	Compliant	Identify or provide link/reference to policies, programs and practices to interact positively with the communities in which it operates.	

CERTIFIED TRUE AND CORRECT:


 ATTY. MANDLO C. ROMULO
 Chairman of the Board & Independent Director


 KENT S. COTOCO
 Compliance Officer


 DOMINGO N. COTOCO
 President & CEO


 ATTY. MELODY CALO-VILLAR
 Corporate Secretary

Subscribed and sworn to before me this JUL 11 2022 day of July 2022 in Pasig City.

JUL 11 2022

Doc. No. 343
Page No. 70
Book No. 3
Series of 2022.

Notary Public

~~FERDINAND AYABAO~~

~~Notary Public~~

~~For Pasig City, Inarara and San Juan City
Appointment No. 108 (2017-2021) valid until 12/31/2021
MCLE Exemption No. 175, 275, 337, 6, 4, 14 valid 04/14/21
Roll No. 46375; 46376; 46377; 46378; 46379; 46380; 46381; 46382; 46383
TIN 113-091-794; 410-812094; 01/01/12; Pasig City
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