

## **ANNUAL CORPORATE GOVERNANCE REPORT OF**

### **FORTUNE GENERAL INSURANCE CORP.**

1. For the fiscal year ended December 31, 2022

2. Certificate of Authority (CA) No. 2022/35-R

3. NCR, Philippines

4. Principal Office:

4/F Citystate Centre

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Pasig City

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ACGR:

ANNUAL CORPORATE GOVERNANCE REPORT			
	COMPLIANT/ NON- COMPLIANT	ADDITIONAL INFORMATION	EXPLANATION
<b>The Board's Governance Responsibilities</b>			
<b>Principle 1:</b> The company should be headed by a competent, working board to foster the long-term success and sustainability of the corporation in a manner consistent with its corporate objectives and the long-term best interests of its shareholders and other stakeholders.			
<b>Recommendation 1.1</b>			
1. Board is composed of directors with collective working knowledge, experience or expertise that is relevant to the company's industry/sector.	Compliant	This is addressed in section II. A. of the <a href="#">MCG</a> (see page 4).  The qualifications, experience, expertise and trainings of the directors can be seen in their respective profiles	The Profiles and backgrounds of the directors will reveal that they are experts in various fields relevant to the conduct of the business.
L2. Board has an appropriate mix of competence and expertise.	Compliant	The qualification standards for directors can be seen in the company's <a href="#">Board Charter</a>	Same as above
3. Directors remain qualified for their positions individually and collectively to enable them to fulfill their roles and responsibilities and respond to the needs of the organization.	Compliant	The matter is also addressed in section VI of the <a href="#">MCG</a> .	Same as above
<b>Recommendation 1.2</b>			
1. Board is composed of a majority of nonexecutive directors.	Compliant	This is addressed in section II. A of the <a href="#">MCG</a> (see page 4).	There are only 2 executive directors in the 15-man Board.

		See the attached <a href="#">Secretary Certificate Board Resolution Number 2022-0109</a>	Out of the 15 executive directors, 4 are independent.
<b>Recommendation 1.3</b>			
1. Company provides in its Board Charter or Manual on Corporate Governance a policy on training of directors,	Compliant	This is addressed in section VI. B of the <a href="#">MCG</a> (see page 28).	In coordination with the Company's HR, CG Trainings are regularly scheduled
2. Company provides in its Board Charter or Manual on Corporate Governance an orientation program for first time directors.	Compliant	Same as above	Conducted in coordination with HR as part of Training And Development of Directors, Officers and Employees
3. Company has relevant annual continuing training for all directors.	Compliant	Same as above	Regular Trainings on Insurance updates, CG, AMLA and Data Privacy are scheduled by HR,
<b>Recommendation 1.4</b>			
1. Board has a policy on board diversity	Compliant	This is addressed in section II. C. I of the <a href="#">MCG</a> (see page 5).	Board is composed of 12 men and 3 women coming from the fields of Insurance, Finance, Legal and Government Service.
<b>Recommendation 1.5</b>			
1. Board is assisted in its duties by a Corporate Secretary.	Compliant	This is addressed in section II.3 the <a href="#">MCG</a> (see page 20).	
2. Corporate Secretary is a separate individual from the Compliance Officer.	Compliant		The Corp. Sec. is Atty. Socrates M. Arevalo, and the

		Same as above (See <a href="#">GIS</a> )	Compliance Officer is Atty. C.A. Gerard M. Lukban
3. Corporate Secretary is not a member of the Board of Directors,	Compliant	Same as above	Atty. Arevalo is not a Director of the company
4. Corporate Secretary attends training/s on corporate governance.	Compliant	See Certificates of Training	Trainings are regularly scheduled in coordination with the company's HR Division.

**Recommendation 1.6**

1. Board is assisted by a Compliance Officer.	Compliant	This is addressed in sections II. C. 1b and II. L. 4 of the <a href="#">MCG</a> (see pages 6&21).	The Compliance Officer is Atty. C.A. Gerard M. Lukban who is not a member of the Board
2. Compliance Officer has a rank of Vice President or an equivalent position with adequate stature and authority in the corporation.	Compliant		Same as above
3. Compliance Officer is not a member of the board.	Compliant	See <a href="#">GIS</a> .	Same as above
4. Compliance Officer attends training/s on corporate governance annually.	Compliant		Trainings are regularly scheduled in coordination with the company's HR Division

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

**Recommendation 2.1**

1. Directors act on a fully informed basis, in good faith, with due diligence and care, and in the best interest of the company.	Compliant	This is addressed in section II. B of the <a href="#">MCG</a> .	Agenda and materials necessary for discussions in meetings are provided 14 days prior to meetings
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Recommendation 2.2			
1. Board oversees the development, review and approval of the company's business objectives and strategy.	Compliant	This is addressed in section II. B of the <a href="#">MCG</a> (see page 4).	The CEO as well as all key officers are always present in Board meetings for easy monitoring of business objectives and strategies by members of the Board
2. Board oversees and monitors the implementation of the company's business objectives and strategy in order to sustain the company's long term viability and strength.	Compliant	See <a href="#">Board Charter</a> .	Same as above
Recommendation 2.3			
1. Board is headed by a competent and qualified Chairperson.	Compliant	This is addressed in section II. I of the <a href="#">MCG</a> (see page 5).	See profile of Chairman D. Alfred A. Cabangon for reference
Recommendation 2.4			
1. Board ensures and adopts an effective succession planning program for directors, key officers and management.	Compliant	This is addressed in section II. C. 1 of the <a href="#">MCG</a> .	Succession planning is already a part of HR's continuing programs
2. Board adopts a policy on the retirement for directors and key officers.	Compliant	Succession planning sessions have been conducted in coordination with the company's HR Division	Same as above  Succession Planning conducted last May 27-28, 2022
Recommendation 2.5			
1. Board formulates and adopts a policy specifying the relationship between remuneration and	Compliant	This is addressed in section II. J of the <a href="#">MCG</a> (see page 13).	

performance of key officers and board members.		Same as above	
2. Board aligns the remuneration of key and board members with long term interests of the company.	Compliant		
3. Directors do not participate in discussions or deliberations involving his/her own remuneration.	Compliant		Same as above
<b>Recommendation 2.6</b>			
1. Board has a formal and transparent board nomination and election policy.	Compliant	NOMELEC Rules and Procedure ; <a href="#">Board Charter</a>	Notices are sent to stockholders 21 days prior to meetings and elections to afford time to nominate and prepare for issues that may be discussed
2. Board nomination and election policy is disclosed in the company's Manual on Corporate Governance.	Compliant		Same as above
3. Board nomination and election policy includes how the company accepts nominations from minority shareholders.	Compliant		Same as above
4. Board nomination and election policy includes how the board reviews nominated candidates.	Compliant		Same as above
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		Same as above
6. Board has a process for identifying the quality of directors that is aligned with the strategic direction of the company.	Compliant		Same as above

Recommendation 2.7			
1. Board has overall responsibility in ensuring that there is a group-wide policy and system governing related party transactions (RPTs) and other unusual or infrequently occurring transactions.	Compliant	This is addressed in section II. K. 4 of the <a href="#">MCG</a> (see page 17).	
2. RPT policy includes appropriate review and approval of material RPTs, which guarantee fairness and transparency of the transactions	Compliant	See <a href="#">RPT Board Committee Charter</a> .	Same as above
3. RPT policy encompasses all entities within the group, taking into account their size, structure, risk profile and complexity of operations.	Compliant	Same as above	Same as above
Recommendation 2.8			
1. Board is primarily responsible for approving the selection of Management led by the Chief Executive Officer (CEO) and the heads of the other control functions (Chief Risk Officer, Chief Compliance Officer and Chief Audit Executive).	Compliant	This is addressed in section II. E. 2b of the <a href="#">MCG</a> (see page 9).	The Corporate Governance Committee regularly evaluates and monitors qualifications and performance of CEO and the key officers and submits recommendations to the Board
2. Board is primarily responsible for assessing the performance of Management led by the Chief Executive Officer (CEO) and the heads of the other control functions (Chief Risk Officer, Chief Compliance Officer and Chief Audit Executive).	Compliant	Same as above	Same as above
Recommendation 2.9			
1. Board establishes an effective performance management framework that ensures that Management, including the Chief Executive Officer performance is at par with the standards set by the	Compliant	This is addressed in section II. E. 2b of the <a href="#">MCG</a> (see page 9).	The Corporate Governance Committee regularly evaluates and monitors qualifications and performance of CEO and

Board and Senior Management.			the key officers and submits recommendations to the Board
2. Board establishes an effective performance management framework that ensures that personnel's performance is at par with the standards set by the Board and Senior Management.	Compliant	Same as above	Same as above
<b>Recommendation 2.10</b>			
1. Board oversees that an appropriate internal control system is in place,	Compliant	This is addressed in sections II. C. 12; II. K. 1; II. E of the <a href="#">MCG</a> (see page 8).	An Internal Audit System has been in placed since 2003, however in 2018 a separate Internal Audit Group was created specifically to handle the insurance companies being regulated companies under the IC which covers all operational activities of the company.
2. The internal control system includes a mechanism for monitoring and managing potential conflict of interest of the Management, members and shareholders.	Compliant		Same as above
3. Board approves the Internal Audit Charter	Compliant	See <a href="#">Internal Audit Charter</a>	Same as above in coordination with Audit Committee
<b>Recommendation 2.11</b>			
1. Board oversees that the company has in place a sound enterprise risk management (ERM) framework to effectively identify, monitor, assess and manage key business risks.	Compliant	This is addressed in section II. K.3 of the <a href="#">MCG</a> (see page 9).	See <a href="#">BROC Charter</a>
2. The risk management framework guides the	Compliant		



Board in identifying units/business lines and enterprise-level risk exposures, as well as the effectiveness of risk management strategies.			
<b>Recommendation 2.12</b>			
1. Board has a Board Charter that formalizes and clearly states its roles, responsibilities and accountabilities in carrying out its fiduciary duties.	Compliant	See <a href="#">Board Charter</a>	Roles, responsibilities and accountabilities in carrying out Directors fiduciary duties, functions and performance are contained in the Board Charter and readily available for reference in the company's website
2. Board Charter serves as a guide to the directors in the performance of their functions.	Compliant		Same as above
3. Board Charter is publicly available and posted on the company's website.	Compliant		Same as above
<b>Principle 3:</b> 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.			
<b>Recommendation 3.1</b>			
1. Board establishes board committees that focus on specific board functions to aid in the optimal performance of its roles and responsibilities	Compliant	This is addressed in section II.K of the <a href="#">MCG</a> (see page 13).	The Board has the following working Committees to assist it in its functions and to cover all concerns in running the company:

			<ol style="list-style-type: none"> <li>1. Audit</li> <li>2. Corporate Governance</li> <li>3. RPT</li> <li>4. BROCC</li> </ol>
<b>Recommendation 3.2</b>			
1. Board establishes an Audit Committee to enhance its oversight capability over the company's financial reporting, internal control system, internal and external audit processes, and compliance with applicable laws and regulations,	Compliant	This is addressed in sections II. C.12 and II. K. 1 of the <a href="#">MCG</a> (see pages 6 & 13).	The Audit Committee is responsible for overseeing the senior management in establishing and maintaining an and efficient adequate, effective internal control framework.
2. Audit Committee is composed of at least three appropriately qualified non-executive directors, the majority of whom, including the Chairman is independent.	Compliant	See <a href="#">Audit Committee Charter</a>	See <a href="#">Committee Charter</a>
3. All the members of the committee have relevant background, knowledge, skills, and/or experience in the areas of accounting, auditing and finance.	Compliant	Same as above	Same as above
4. The Chairman of the Audit Committee is not the Chairman of the Board or of any other committee.	Compliant	Same as above	Same as above
<b>Recommendation 3.3</b>			
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.	Compliant	This is addressed in section II. K. 2 of the <a href="#">MCG</a> (see page 5).	The Committee assists the Board in establishing and managing governance standards, determining criteria for the composition of the Board and its committees, identifying

			individuals qualified to become Board members, and developing and monitoring a process to assess the effectiveness of the Board and its committees.
2. Corporate Governance Committee is composed of at least three members, majority of whom should be independent directors.	Compliant		See <a href="#">Charter and Committee membership</a> .
3. Chairman of the Corporate Governance Committee is an independent director.	Compliant	Same as above	Same as above
<b>Recommendation 3.4</b>			
1. Board establishes a separate Board Risk Oversight Committee (BROC) that should be responsible for the oversight of a company's Enterprise Risk Management system to ensure its functionality and effectiveness.	Compliant	This is addressed in section II. K. 3 of the <a href="#">MCG</a> (see page 16).	The Committee is responsible for defining the Company's level of risk tolerance and providing oversight over its risk management policies and procedures to anticipate, minimize, control, or manage risks or possible threats to its operational and financial viability.
2. BROC is composed of at least three members, the majority of whom should be independent directors, including the Chairman.	Compliant	See <a href="#">Charter and Membership</a>	See <a href="#">Charter and Membership</a> .
3. The Chairman of the BROC is not the Chairman of the Board or of any other committee.	Compliant	Same as above	Same as above
4. At least one member of the BROC has relevant	Compliant	This is addressed in section II. K. 3 of the <a href="#">MCG</a> (see	

thorough knowledge and experience on risk and risk management,		page 16).	
<b>Recommendation 3.5</b>			
1. The Board establishes a Related Transactions (RPT) Committee, which is tasked with reviewing all material related party transactions of the company,	Compliant	This is addressed in section II. K. 4 of the <a href="#">MCG</a> (see page 17).	The Committee reviews material/significant RPTs, to determine whether they are in the best interest of the Company and shareholders, and ensure that all RPTs of the Company are conducted in fair and at arm's length terms.
2. RPT Committee is composed of at least three non-executive directors, majority of whom should be independent, including the Chairman.	Compliant	See <a href="#">RPT Committee charter</a>	See Charter and membership
<b>Recommendation 3.6</b>			
1. All established committees have a Committee Charters stating in plain terms their respective purposes, memberships, structures, operations, reporting process, resources and other relevant information.	Compliant	See <a href="#">Committee Charters</a>	The Board has the following working Committees to assist it in its functions and to cover all concerns in running the company: <ol style="list-style-type: none"> <li>1. Audit</li> <li>2. Corporate Governance</li> <li>3. RPT</li> <li>4. BROG</li> </ol> The charters of the same are posted in the company website
2. Committee Charters provide standards for evaluating the performance of the Committees.	Compliant	Same as above	Same as above
3. Committee Charters were fully disclosed on the	Compliant	Same as above	Same as above

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

**Recommendation 4.1**

1. The Directors attends and actively participates in all meetings of the Board, Committees and shareholders in person or through tele/videoconferencing conducted in accordance with the rules and regulations of the Commission.	Compliant	This is addressed in sections II. D. 3 and II. G. of the <a href="#">MCG</a> (See pages 7&11).	Compliant with the guidelines of SEC in conducting online meetings, from the lockdowns caused by the pandemic, Board meetings have been conducted online through zoom
2. The directors review meeting materials for all Board and Committee meetings.	Compliant		The necessary materials included in the agenda are provided in advance
3. The directors ask the necessary questions or seek clarifications and explanations during the Board and Committee meetings.	Compliant	See <a href="#">excerpt of the minutes</a>	Directors raise questions as they deem necessary in order to fully discuss all issues before them

**Recommendation 4.2**

1. Non-executive directors concurrently serve as directors to a maximum of five Insurance Commission Regulated Entities (ICREs) and publicly-listed companies to ensure that they have sufficient time to fully prepare for meetings, challenge Management's proposals/views, and oversee the long-term strategy of the company.	Compliant	This is addressed in section II. D. 9 of the <a href="#">MCG</a> (see page 8).	These items are fully disclosed with the Insurance Commission as contained also in the biographical data submitted regularly
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**Recommendation 4.3**

1. The directors notify the company's board where he/she is an incumbent director before accepting a directorship in another company.	Compliant	This is addressed in section II. D. 9 of the <a href="#">MCG</a> (see page 8).  Note: No incident on this matter in the past year	No incident on the matter in 2022
<b>Principle 5:</b> The board should endeavor to exercise an objective and independent judgment on all corporate affairs.			
<b>Recommendation 5.1</b>			
1. The Board is composed of at least twenty percent (20%) independent directors.	Compliant	This is addressed in section II.A of the <a href="#">MCG</a> (see page 4).  See <a href="#">GIS</a>	The company is more than compliant with the 20% requirement. Out of the 15 Directors, 4 are Independent Directors
<b>Recommendation 5.2</b>			
1. The independent directors possess the necessary qualifications and none of the disqualifications to hold the position.	Compliant	This is addressed in section II.A of the <a href="#">MCG</a> (see page 4).	Profiles and backgrounds of the Independent Directors will show compliance
<b>Recommendation 5.3</b>			
1. The independent directors serve for a maximum cumulative term of nine years.  As far as Insurance Companies are concerned, the foregoing term limit shall be reckoned from 02 January 2015 while the reckoning date for the Pre-Need Companies and Health Maintenance Organizations shall be from 21 September 2016.	Compliant	This is addressed in section II.A of the <a href="#">MCG</a> .  See list of <a href="#">Independent Directors</a> .	

For other covered entities, all previous terms served by existing Independent Directors prior to the effectivity of this Circular shall not be included in the application of the term limit prescribed in this item.			
2. The company bars an independent director from serving in such capacity after the term limit of nine years.	Compliant	Same as above	Same as above
3. In the instance that the company retains an independent director in the same capacity after nine years, the board submits to the Insurance Commission a formal written justification and seek shareholders' approval during the annual shareholders' meeting.	Compliant	Same as above	Note: No incident yet as all independent directors have not exceeded the maximum term limit as prescribed by IC.
<b>Recommendation 5.4</b>			
1. The positions of Chairman of the Board and Chief Executive Officer are held by separate individuals,	Compliant	This is addressed in section II. L. 1 of the <a href="#">MCG</a> (see page 18).  See <a href="#">GIS</a>	The Chairman of the company is Mr. J. Antonio A. Cabangon, Jr. and the President/CEO is Mr. Manuel M. Maloles
2. The Chairman of the Board and Chief Executive Officer have clearly defined responsibilities.	Compliant	Same as above	Responsibilities as Chairman and President/CEO are clearly defined under the Manual as well as the Board charter
<b>Recommendation 5.5</b>			
1. If the Chairman of the Board is not an independent director or where the roles of Chairman and CEO are being held by one person, the Board should designate a lead director among the	Compliant	This is addressed in section II. L. 1 of the <a href="#">MCG</a> (see page 18).  See <a href="#">GIS</a>	Independent Director, Justice Raoul Victorino was designated as the lead director among the independent

independent directors.			directors
<b>Recommendation 5.6</b>			
1. Directors with material interest in a transaction affecting the corporation should abstain from taking part in the deliberations for the same.	Compliant	This is addressed in section II. D. 8 of the <a href="#">MCG</a> (see page 8).  Note: No incidents that call for abstention in the previous year.	No incidents on the matter
<b>Recommendation 5.7</b>			
1. The non-executive directors (NEDs) have separate periodic meetings with the external auditor and heads of the internal audit, compliance and risk functions, without any executive directors present to ensure that proper checks and balances are in place within the corporation.	Compliant	This is addressed in section II. L. 5f of the <a href="#">MCG</a> (see page 22).	August 23, 2022
2. The meetings are chaired by the lead independent director.	Compliant	Same as above.	Aside from chairing meetings of non-executive directors, he also chairs the Audit Committee
<b>Principle 6:</b> The best measure of the Board's effectiveness is through an assessment process, The Board should regularly carry out evaluations to appraise its performance as a body, and assess whether it possesses the right mix of backgrounds and competencies.			
<b>Recommendation 6.1</b>			
1. The Board conducts an annual assessment of its performance as a whole,	Compliant	This is addressed in section VI. D of the <a href="#">MCG</a> (see page 28).	July 29, 2022
2. The performance of the Chairman is assessed annually by the Board.	Compliant		Same as above



3. The performance of the individual member of the Board is assessed annually by the Board,	Compliant		Same as above
4. The performance of each committee is assessed annually by the Board.	Compliant		Same as above
5. Every three years, the assessments are supported by an external facilitator.	Compliant	This is addressed in section VI. C of the <a href="#">MCG</a> (see page 28).	The third year shall be 2023 counting from the effectivity of the ACGR

**Recommendation 6.2**

1. Board has in place a system that provides, at the minimum, criteria and process to determine the performance of the Board, individual directors and committees.	Compliant	This is addressed in section VI. D of the <a href="#">MCG</a> (see page 28).	February 22, 2022 April 26, 2022
2. The system allows for a feedback mechanism from the shareholders.	Compliant		Same as above

**Principle 7: Members of the Board are duty-bound to apply high ethical standards, taking into account the interests of all stakeholders.**

**Recommendation 7.1**

1. Board adopts a Code of Business Conduct and Ethics, which provide standards for professional and ethical behavior, as well as articulate acceptable and unacceptable conduct and practices in internal and external dealings of the company.	Compliant	This is addressed in section II. C. 17 of the <a href="#">MCG</a> (see page 6).	See <a href="#">Code of Business Ethics</a>
2. The Code is properly disseminated to the Board, senior management and employees.	Compliant	See <a href="#">Code of Business Ethics</a>	Same as above
3. The Code is disclosed and made available to the public through the company website.	Compliant	See <a href="#">Code of Business Ethics</a>	Same as above

Recommendation 7.2			
1. Board ensures the proper and efficient implementation and monitoring of compliance with the Code of Business Conduct and Ethics	Compliant	This is addressed in section II. C. 17 of the <a href="#">MCG</a> (see page 6).	Same as above
2. Board ensures the proper and efficient implementation and monitoring of compliance with company internal policies.	Compliant		Same as above
Disclosure and Transparency			
<b>Principle 8:</b> The company should establish corporate disclosure policies and procedures that are practical and in accordance with best practices and regulatory expectations.			
Recommendation 8.1			
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.	Compliant	This is addressed in section IV. A. of the <a href="#">MCG</a> (see page 27).	Information dissemination is facilitated by the company's Corporate Communications Department
Recommendation 8.3			
1. Board fully discloses all relevant and material information on individual board members to evaluate their experience and qualifications, and assess any potential conflicts of interest that might affect their judgment.	Compliant	This is addressed in section IV. B. of the <a href="#">MCG</a> (see pge 27).	The company regularly submits to IC the Biographical Data
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.		Same as above	Same as above.

Recommendation 8.4			
1. Company provides a clear disclosure of its policies and procedure for setting Board remuneration, including the level and mix of the same in the Annual Corporate Governance Report consistent with ASEAN Corporate Governance Scorecard (ACGS) and the Revised Corporation Code,	Compliant	This is addressed in section IV. C. of the <a href="#">MCG</a> (see page 27).	<a href="#">Manual of Corporate Governance</a>
2. Company provides a clear disclosure of its policies and procedure for setting Executive remuneration, including the level and mix of the same in the Annual Corporate Governance Report consistent with ASEAN Corporate Governance Scorecard (ACGS) and the Revised Corporation Code,	Compliant	See <a href="#">MCG</a>	Same as above
3. Company discloses the remuneration on an individual basis, including termination and retirement provisions.	Compliant	See <a href="#">MCG</a>	Same as above
Recommendation 8.5			
1. Company discloses its policies governing Related Party Transactions (RPTs) and other unusual or infrequently occurring transactions	Compliant	This is addressed in section IV. D. of the <a href="#">MCG</a> (see page 27).	
2. Company discloses material or significant RPTs in its Annual Company Report or Annual Corporate Governance Report, reviewed and approved by the Board, and submitted for confirmation by majority vote of the stockholders in the annual stockholders' meeting during the year.	Compliant	Provide information on all previous year or reference to a document containing the following information on all RPTs: 1. Name of the related counterparty; 2. Relationship with the party; 3. Transaction date; 4, Type/nature of transaction; 5, Amount or contract price;	Same as above

		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.	
<b>Recommendation 8.7</b>			
1. Company's corporate governance policies, programs and procedures are contained in its Manual on Corporate Governance (MCG).	Compliant	See <a href="#">MCG</a> .	Manual readily accessible in the company website
2. Company's MCG is posted on its company website.	Compliant		Same as above
<b>Principle 9:</b> 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.			
<b>Recommendation 9.1</b>			
1. Audit Committee has a robust process for approving and recommending the appointment, reappointment, removal, and fees of the external auditors,	Compliant	This is addressed in section II. K. 1. of the <a href="#">MCG</a> (see page 13).	
2. The appointment, reappointment, removal, and fees of the external auditor is recommended by the Audit Committee, approved by the Board and ratified by the shareholders.	Compliant		Same as above
3. For removal of the external auditor, the reasons for removal or change are disclosed to the	Compliant		Same as above

regulators and the public through the company website and required disclosures.			
<b>Recommendation 9.2</b>			
1. includes the Audit Committee's responsibility on : i. assessing the integrity and independence of external auditors; ii. exercising effective oversight to review and monitor the external auditor's independence and objectivity; and iii. Exercising effective oversight to review and monitor the effectiveness of the audit process, taking into consideration relevant Philippine professional and regulatory requirements.	Compliant	See <a href="#">Audit Committee Charter</a>	Audit Committee Charter readily accessible as posted in the company website
2. Audit Committee Charter contains the Committee's responsibility on reviewing and monitoring the external auditor's suitability and effectiveness on an annual basis.	Compliant	Same as above	Same as above
<b>Recommendation 9.3</b>			
1. Company discloses the nature of non-audit services performed by its external auditor in the Annual Report to deal with the potential conflict of interest,	Compliant	This is addressed in section II. L. 5e of the <a href="#">MCG</a> (see page 22).	No Non-Audit services provided
2. Audit Committee stays alert for any potential conflict of interest situations, given the guidelines or policies on non-audit services, which could be viewed as impairing the external auditor's objectivity,	Compliant		

<b>Principle 10:</b> The company should ensure that the material and reportable non-financial and sustainability issues are disclosed.			
<b>Recommendation 10.1</b>			
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.	Compliant	This is addressed in section II. K. 3h. of the <a href="#">MCG</a> (see page 17).	<a href="#">Manual of Corporate Governance</a>
2. Company adopts a global sustainability and non-financial issues.	Compliant	Same as above	Same as above
<b>Principle 11:</b> 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.			
<b>Recommendation 11.1</b>			
1. The company should have a website to ensure a comprehensive, cost efficient, transparent, and timely manner of disseminating relevant information to the public.	Compliant	<a href="https://fgeninsurance.com/">https://fgeninsurance.com/</a>	The company website is <a href="https://fgeninsurance.com/">https://fgeninsurance.com/</a>
<b>Internal Control System and Risk Management Framework</b>			
<b>Principle 12:</b> 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,			
<b>Recommendation 12.1</b>			
1. Company has an adequate and effective internal control system in the conduct of its business	Compliant	This is addressed in section II. E. of the <a href="#">MCG</a> .	<a href="#">Manual of Corporate Governance</a>
2. Company has an adequate and effective enterprise risk management framework in the	Compliant		ERM (see <a href="#">BROC</a> )

conduct of its business.			
<b>Recommendation 12.2</b>			
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.	Compliant	This is addressed in section II. L. 6. of the <a href="#">MCG</a> (see page 23).	Internal audit is in house, headed by Mr. Amerhussein Paudac
<b>Recommendation 12.3</b>			
1. The company has a qualified Chief Audit Executive (CAE) appointed by the Board.	Compliant	This is addressed in section II. L. 6. of the <a href="#">MCG</a> .	Chief Audit Executive is Mr. Paudac
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.	Compliant		Same as above
3. In case of a fully outsourced internal audit activity, qualified independent executive or senior management personnel is assigned the responsibility for managing the fully outsourced internal audit activity.	Compliant	Internal audit is in house, headed by Mr. Amerhussein Paudac	Same as above
<b>Recommendation 12.4</b>			
1. The company has a separate risk management function to identify, assess and monitor key risk exposures.	Compliant	This is addressed in section II. L. 6. of the <a href="#">MCG</a> (see page 23).	ERM (see <a href="#">BROC</a> )
<b>Recommendation 12.5</b>			
1. In managing the company's Risk Management System, the company has a Chief Risk Officer (CRO), who is the ultimate champion of Enterprise Risk Management (ERM).	Compliant	Identify the company's Chief Risk Officer (CRO) and provide information on or reference to a document containing his/her responsibilities and qualifications/background.	Same as above

2. CRO has adequate authority, stature, resources and support to fulfill his/her responsibilities.	Compliant		Same as above
<b>Cultivating a Synergic Relationship with Shareholders</b>			
<b>Principle 13:</b> The company should treat all shareholders fairly and equitably, and also recognize, protect and facilitate the exercise of their rights.			
<b>Recommendation 13.1</b>			
1. Board ensures that basic shareholder rights are disclosed in the Manual on Corporate Governance,	Compliant	This is addressed in section III. A. of the <a href="#">MCG</a> .	The same is posted in the company's website
2. Board ensures that basic shareholder rights are disclosed on the company's website.	Compliant	<a href="https://fgeninsurance.com/">https://fgeninsurance.com/</a>	<a href="https://fgeninsurance.com/">https://fgeninsurance.com/</a>
<b>Recommendation 13.2</b>			
1. Board encourages active shareholder participation by sending the Notice of Annual and Special Shareholders' Meeting with sufficient and relevant information at least 21 days before the meeting,	Compliant	This is addressed in section III. B. of the <a href="#">MCG</a> (see page 26).	Annual Stockholders' Meeting – May 24, 2022 and Special Stockholders' Meeting – September 6, 2022
<b>Recommendation 13.3</b>			
1. Board encourages active shareholder participation by making the result of the votes taken during the most recent Annual or Special Shareholders' Meeting publicly available the next working day.	Compliant	This is addressed in section III. of the <a href="#">MCG</a> (see page 27).	See <a href="#">Minutes of the Annual Stockholders Meeting</a> .
2. Minutes of the Annual and Special Shareholders' Meetings are available on the company website within five business days from the end of the meeting.	Compliant	See minutes of the <a href="#">AS meeting</a>	
<b>Recommendation 13.4</b>			
1. Board has an alternative dispute mechanism to	Compliant	This is addressed in section III. of the <a href="#">MCG</a> (see page	In cases of possible internal



resolve intra-corporate disputes in an amicable and effective manner		27).	disputes, the company encourages that it first be resolved using ADR and try to reconcile any differences internally
2. The alternative dispute mechanism is included in the company's Manual on Corporate Governance.	Compliant	This is addressed in section III. of the <a href="#">MCG</a> .	See <a href="#">MCG</a> .

**Duties to Stakeholders**

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

**Recommendation 14.1**

1. Board identifies the company's various stakeholders and promotes the cooperation between them and the company in creating wealth, growth and sustainability.	Compliant	This is addressed in section II. C. of the <a href="#">MCG</a> (see page 5).	
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**Recommendation 14.2**

1. Board establishes clear policies and programs to provide a mechanism on the fair treatment and protection of stakeholders.	Compliant	See <a href="#">Whistleblower Policy</a>	Same as above
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**Recommendation 14.3**

1. Board adopts a transparent framework and process that allow stakeholders to communicate with the company and to obtain redress for the violation of their rights,	Compliant	See <a href="#">Whistleblower Policy</a>	Same as above
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**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			
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	Compliant	This is addressed in section II. C. of the <a href="#">MCG</a> (see page 6).	
Recommendation 15.2			
1. Board sets the tone and makes a stand against corrupt practices by adopting an anticorruption policy and program in its Code of Conduct,	Compliant	Same as above See <a href="#">Code of Conduct</a>	Same as above See <a href="#">Code of Conduct</a>
2. Board disseminates the policy and program to the employees across the organization through trainings to embed them in the company's culture.	Compliant	Policy disseminated through memos	Same as above
Recommendation 15.3			
1. Board establishes a suitable framework for whistle blowing that allows employees to freely communicate their concerns about illegal or unethical practices, without fear of retaliation.	Compliant	See <a href="#">WPP</a>	The <a href="#">Whistleblower Policy</a> as well as the procedure is posted in the company website
2. Board establishes a suitable framework for whistle blowing that allows employees to have direct access to an independent member of the Board or a unit created to handle whistle blowing concerns,	Compliant	See <a href="#">WPP</a>	Same as above
3. Board supervises and ensures the enforcement of the whistle blowing framework	Compliant	See <a href="#">WPP</a>	Same as above

**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>This is addressed in section II. C. 19. of the <a href="#">MCG</a> (see page 7).</p>	<p>CSR activities posted in company website</p>
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