

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	Provide information or link reference to a document containing information on the following:  1. Academic qualifications, industry knowledge, professional experience, expertise and relevant trainings of directors  2. Qualification standards for directors to facilitate the selection of potential nominees and to serve as benchmark for the evaluation of its performance.	This is addressed in section II. A. of the Manual on Corporate Governance (MCG). (see page 4)
2. Board has an appropriate mix of competence and expertise.	Compliant		The qualifications, experience, expertise and trainings of the directors can be seen in their respective profiles ( <a href="#">link-</a> )
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 qualification standards for directors can be seen in the company's ( <a href="#">link-</a> Board Charter).  The matter is also addressed in section VI of the MCG. (see page 28)
<b>Recommendation 1.2</b>			
1. Board is composed of a majority of nonexecutive directors.	Compliant	Identify or provide link/reference to a document identifying the directors and the type of their directorships	This is addressed in section II. A of the MCG (see page 4)  See GIS ( <a href="#">link-</a> ) for reference also

Recommendation 1.3			
1. Company provides in its Board Charter or Manual on Corporate Governance a policy on training of directors,	Compliant	Provide link or reference to the company's Board Charter or Manual on Corporate Governance relating to its policy on training of directors,	This is addressed in section VI. B of the MCG (see page 28)  See Certificates of Training ( <a href="#">link-</a> )
2. Company provides in its Board Charter or Manual on Corporate Governance 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.	Same as above
3. Company has relevant annual continuing training for all directors.	Compliant		Same as above
Recommendation 1.4			
1. Board has a policy on board diversity	Compliant	Provide information on or link/reference to a document containing information on the company's board diversity policy. Indicate gender composition of the board.	This is addressed in section II. C. I of the MCG (see page 5)
Recommendation 1.5			
1. Board is assisted in its duties by a Corporate Secretary.	Compliant	Provide information on or link/reference to a document containing information on the Corporate Secretary, including his/her name, qualifications, duties and functions,	This is addressed in section II.3 the MCG (see page 20)
2. Corporate Secretary is a separate individual from the Compliance Officer.	Compliant		Same as above  See GIS ( <a href="#">link-</a> )
3. Corporate Secretary is not a member of the Board of Directors,	Compliant		Same as above
4. Corporate Secretary attends training/s on corporate governance.	Compliant	Provide information or link reference to a document containing information on the corporate governance training attended, including number of hours and topics covered.	See Certificates of Training ( <a href="#">link-</a> )

Recommendation 1.6			
1. Board is assisted by a Compliance Officer.	Compliant	Provide information on or link/reference to a document containing information on the Compliance Officer, including his/her name, position, qualifications, duties and functions	This is addressed in sections II. C. 1b and II. L. 4 of the MCG (see pages 6 & 21)
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 GIS
4. Compliance Officer attends training/s on corporate governance annually.	Compliant	Provide information on or link/reference to a document containing information on the corporate governance training attended, including number of hours and topics covered	See Certificates of Training <a href="#">(link-)</a>
<b>Principle 2:</b> 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	Provide information or reference to a document containing information on how the directors performed their duties (can include board resolutions, minutes of meeting)	This is addressed in section II. B of the MCG (see page 4)
Recommendation 2.2			
1. Board oversees the development, review and approval of the company's business objectives and strategy.	Compliant	Provide information or link reference to a document containing information on how the directors performed this function (can include board resolutions, minutes of meeting) indicate frequency of review of business objectives and strategy	This is addressed in section II. B of the MCG (see page 4)
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		Board Charter <a href="#">(link-)</a>

Recommendation 2.3			
1. Board is headed by a competent and qualified Chairperson.	Compliant	Provide information or reference to a document containing information on the Chairperson, including his/her name and qualifications	This is addressed in section II. I of the MCG (see page 12)
Recommendation 2.4			
1. Board ensures and adopts an effective succession planning program for directors, key officers and management.	Compliant	Disclose and provide information or link/reference to a document containing information on the company's succession planning and retirement policies and programs, and its implementation.	This is addressed in section II. C. 1 of the MCG (see page 5)
2. Board adopts a policy on the retirement for directors and key officers.	Compliant		Same as above
Recommendation 2.5			
1. Board formulates and adopts a policy specifying the relationship between remuneration and performance of key officers and board members.	Compliant	Provide information on or link/reference to a document containing information on the company's remuneration policy and its implementation, including the relationship between remuneration and performance.	This is addressed in section II. J of the MCG (see page 13)
2. Board aligns the remuneration of key and board members with long term interests of the company.	Compliant		<a href="#">(link- minutes of meeting and agenda items)</a>
3. Directors do not participate in discussions or deliberations involving his/her own remuneration.	Compliant		
Recommendation 2.6			
1. Board has a formal and transparent board nomination and election policy.	Compliant	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.	NOMELEC Rules and Procedure ; Board Charter <a href="#">(link-)</a>
2. Board nomination and election policy is disclosed in the company's Manual on Corporate Governance.	Compliant		MCG
3. Board nomination and election policy includes how the company accepts nominations from minority shareholders.	Compliant	Provide proof if minority shareholders have a right to nominate candidates to the board.	
4. Board nomination and election policy includes	Compliant	Provide information if there was an assessment of the	

how the board reviews nominated candidates.		effectiveness of the Board's processes in the nomination, election or replacement of a director.	
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		
6. Board has a process for identifying the quality of directors that is aligned with the strategic direction of the company.	Compliant		
<b>Recommendation 2.7</b>			
1. Board has overall responsibility in ensuring that there is a group-wide policy and system governing related party transactions (RPTs) and other unusual or infrequently occurring transactions.	Compliant		This is addressed in section II. K. 4 of the MCG (see page 17)
2. RPT policy includes appropriate review and approval of material RPTs, which guarantee fairness and transparency of the transactions	Compliant		See RPT Board Committee Charter ( <a href="#">link-</a> )
3. RPT policy encompasses all entities within the group, taking into account their size, structure, risk profile and complexity of operations.	Compliant		
<b>Recommendation 2.8</b>			
1. Board is primarily responsible for approving the selection of Management led by the Chief Executive Officer (CEO) and the heads of the other control functions (Chief Risk Officer, Chief Compliance Officer and Chief Audit Executive).	Compliant	Provide information on or reference to a document containing the Board's policy and responsibility for approving the selection of management.  Identify the Management team appointed.	This is addressed in section II. E. 2b of the MCG (see page 9)
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	Provide information on or reference to a document containing the Board's policy and responsibility for assessing the performance of management.  Provide information on the assessment process and indicate frequency of assessment of performance.	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 Board and Senior Management.	Compliant	Provide information on or link/reference to a document containing the Board's performance management framework for management and personnel.	This is addressed in section II. E. 2b of the MCG (see page 9)
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
Recommendation 2.10			
1. Board oversees that an appropriate internal control system is in place,	Compliant	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	This is addressed in sections II. C. 12; II. K. 1; II. E of the MCG (see page 8)
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	Provide reference or link to the company's Internal Audit Charter	See Audit Committee Charter <a href="#">(link-)</a>
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. Provide proof of effectiveness of risk management strategies, if any.	This is addressed in section II. K.3 of the MCG (see page 9)
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		See BROCC Charter <a href="#">(link-)</a>

Recommendation 2.12			
1. Board has a Board Charter that formalizes and clearly states its roles, responsibilities and accountabilities in carrying out its fiduciary duties.	Compliant	Provide link to the company's website where the Board Charter is disclosed.	See Board Charter ( <a href="#">link-</a> )
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

**Principle 3:** Board committees should be set up to the extent possible to support the effective performance of the Board's functions, particularly with respect to audit, risk management, related party transactions, and other key corporate governance concerns, such as nomination and remuneration, The composition, functions and responsibilities of all committees established should be contained in a publicly available Committee Charter.

Recommendation 3.1			
1. Board establishes board committees that focus on specific board functions to aid in the optimal performance of its roles and responsibilities	Compliant	Provide information or link/reference to a document containing information on all the board committees established by the company.	This is addressed in section II.K of the MCG (see page 13)

Recommendation 3.2			
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	Provide information or link/reference to a document containing information on the Audit Committee, including its functions.  Indicate if it is the Audit Committee's responsibility to recommend the appointment and removal of the company's external auditor.	This is addressed in sections II. C.12 and II. K. 1of the MCG (see pages 6 & 13)
2. Audit Committee is composed of at least three appropriately qualified non-executive directors, the majority of whom, including the Chairman is independent.	Compliant	Provide information or link/reference to a document containing information on the members of the Audit Committee, including their qualifications and type of directorship.	See Audit Committee Charter ( <a href="#">link-</a> )  See list of members and profiles ( <a href="#">link-</a> )
3. All the members of the committee have relevant	Compliant	Provide information or link/reference to a document	Same as above

background, knowledge, skills, and/or experience in the areas of accounting, auditing and finance.		containing information on the background, knowledge, skills, and/or experience of the members of the Audit Committee.	
4. The Chairman of the Audit Committee is not the Chairman of the Board or of any other committee.	Compliant	Provide information or link/reference to a document containing information on the Chairman of the Audit Committee	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	Provide information or reference to a document containing information on the Corporate Governance Committee, including its functions.  Indicate if the Committee undertook the process of identifying the quality of directors aligned with the company's strategic direction, if applicable,	This is addressed in section II. K. 2 of the MCG (see page 15)
2. Corporate Governance Committee is composed of at least three members, majority of whom should be independent directors.	Compliant	Provide information or link/reference to a document containing information on the members of the Corporate Governance Committee, including their qualifications and type of directorship.	See Corporate Governance Committee Charter ( <a href="#">link-</a> )  See list of members and profiles ( <a href="#">link-</a> )
3. Chairman of the Corporate Governance Committee is an independent director.	Compliant	Provide information or link/reference to a document containing information on the Chairman of the Corporate Governance Committee.	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	Provide information or link/reference to a document containing information on the Board Risk Oversight Committee (BROC), including its functions	This is addressed in section II. K. 3 of the MCG (see page 16)
2. BROC is composed of at least three members, the majority of whom should be independent directors, including the Chairman.	Compliant	Provide information or link/reference to a document containing information on the members of the BROC, including their qualifications and type of directorship	See BROC Charter ( <a href="#">link-</a> )  See list of members and

			profiles <a href="#">(link-)</a>
3. The Chairman of the BROOC is not the Chairman of the Board or of any other committee.	Compliant	Provide information or link/reference to a document containing information on the Chairman of the BROOC	Same as above
4. At least one member of the BROOC has relevant thorough knowledge and experience on risk and risk management,	Compliant	Provide information or link/reference to a document containing information on the background, skills, and/or experience of the members of the BROOC.	This is addressed in section II. K. 3 of the MCG (see 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	Provide information on or link/reference to a document containing information on the Related Party Transactions (RPT) Committee, including its functions.	This is addressed in section II. K. 4 of the MCG (see page 17)
2. RPT Committee is composed of at least three non-executive directors, majority of whom should be independent, including the Chairman.	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.	See RPT Committee Charter <a href="#">(link-)</a>  See list of members and profiles <a href="#">(link-)</a>
<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	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.	See Committee Charters <a href="#">(link-)</a>
2. Committee Charters provide standards for evaluating the performance of the Committees.	Compliant		Same as above
3. Committee Charters were fully disclosed on the company's website.	Compliant	Provide link to company's website where the Committee Charters are disclosed,	Same as above
<b>Principle 4:</b> 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	<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>This is addressed in sections II. D. 3 and II. G. of the MCG (see pages 7 &amp; 11)</p> <p>See certification of attendance <a href="#">(link-)</a></p>
2. The directors review meeting materials for all Board and Committee meetings.	Compliant		Sample agenda <a href="#">(link-)</a>
3. The directors ask the necessary questions or seek clarifications and explanations during the Board and Committee meetings.	Compliant	Provide information or link/reference to a document containing information on any questions raised or clarification/ explanation sought by the directors.	See excerpts of minutes <a href="#">(link-)</a>
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	<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>	This is addressed in section II. D. 9 of the MCG (see page 8)
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	Provide copy of written notification to the board or minutes of board meeting wherein the matter was discussed.	<p>This is addressed in section II. D. 9 of the MCG (see page 8)</p> <p>Note: No incident on this matter in the past year</p>

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

**Recommendation 5.1**

1. The Board is composed of at least twenty percent (20%) independent directors.	Compliant	Provide information or link document containing information on the number of independent directors in the board,	This is addressed in section II.A of the MCG (see page 4)  See GIS <a href="#">(link-)</a>
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**Recommendation 5.2**

1. The independent directors possess the necessary qualifications and none of the disqualifications to hold the position.	Compliant	Provide information or link/reference to a document containing information on the qualifications of the independent directors,	This is addressed in section II.A of the MCG (see page 4)
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**Recommendation 5.3**

<p>1. The independent directors serve for a maximum cumulative term of nine years.</p> <p>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.</p> <p>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.</p>	Compliant	Provide information or link/reference to a document showing the years IDs have served as such.	<p>This is addressed in section II.A of the MCG (see page 4)</p> <p>See List of Independent Directors <a href="#">(link-)</a></p>
2. The company bars an independent director from serving in such capacity after the term limit of nine years.	Compliant	Provide information or link/reference to a document containing information on the company's policy on term limits for its independent director.	Same as above
3. In the instance that the company retains an independent director in the same capacity after nine	Compliant	Provide proof on submission of a formal written justification to the Insurance Commission and proof of	Note: No incident yet as all independent directors have

years, the board submits to the Insurance Commission a formal written justification and seek shareholders' approval during the annual shareholders' meeting.		shareholders' approval during the annual shareholders' meeting.	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	Identify the company's Chairman of the Board and Chief Executive Officer.	This is addressed in section II. L. 1 of the MCG (see page 18)  See GIS <a href="#">(link-)</a>
2. The Chairman of the Board and Chief Executive Officer have clearly defined responsibilities.	Compliant	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.  Identify the relationship of Chairman and CEO.	Same as above
<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 independent directors.	Compliant	Provide information or link/reference to a document containing information on a lead independent director and his roles and responsibilities, if any.  Indicate if Chairman is independent.	This is addressed in section II. L. 1 of the MCG (see page 18)  See GIS <a href="#">(link-)</a>
<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	Provide proof of abstention, if this was the case,	This is addressed in section II. D. 8 of the MCG (see page 8)  Note: No incidents that call for abstention in the previous year.
<b>Recommendation 5.7</b>			
1. The non-executive directors (NEDs) have	Compliant	Provide proof and details of said meeting, if any.	This is addressed in section II.

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.		Provide information on the frequency and attendees of meetings.	L. 5f of the MCG (see page 22)
2. The meetings are chaired by the lead independent director.	Compliant		Same as above. See list of directors and profiles. ( <a href="#">link-</a> )
<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	Provide proof of annual assessments conducted for the whole board, the individual members, the Chairman and the Committees.	This is addressed in section VI. D of the MCG (see page 28)
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	Identify the external facilitator and provide proof of use of an external facilitator.	This is addressed in section VI. C of the MCG (see page 28)
<b>Recommendation 6.2</b>			
1. Board has in place a system that provides, at the	Compliant	Provide information or link/reference to a document	This is addressed in section

minimum, criteria and process to determine the performance of the Board, individual directors and committees.		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.	VI. D of the MCG (see page 28)
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	Provide information on or link/reference to the company's Code of Business Conduct and Ethics.	This is addressed in section II. C. 17 of the MCG (see page 6)
2. The Code is properly disseminated to the Board, senior management and employees.	Compliant	Provide information on or discuss how the company disseminated the Code to its Board, senior management and employees.	See Code of Business Conduct ( <a href="#">link-</a> )
3. The Code is disclosed and made available to the public through the company website.	Compliant	Provide a link to the company's website where the Code of Business Conduct and Ethics is posted/disclosed.	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	Provide proof of implementation and monitoring of compliance with the Code of Business Conduct and Ethics and internal policies.	This is addressed in section II. C. 17 of the MCG (see page 6)
2. Board ensures the proper and efficient implementation and monitoring of compliance with company internal policies.	Compliant	Indicate who are required to comply with the Code of Business Conduct and Ethics and any findings on noncompliance.	Same as above

**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**

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	Provide information on or link/reference to the company's disclosure policies and procedures including reports distributed/made available to shareholders and other stockholders,	This is addressed in section IV. A. of the MCG (see page 27)
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**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	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.	This is addressed in section IV. B. of the MCG (see page 27)
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,		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.	Same as above. See list of key officers and profiles <a href="#">(link-)</a>

**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	Disclose or provide link/reference to the company policy and practice for setting board remuneration,	This is addressed in section IV. C. of the MCG (see page 27)
2. Company provides a clear disclosure of its policies and procedure for setting Executive remuneration, including the level and mix of the	Compliant	Disclose or provide link/reference to the company policy and practice for determining executive remuneration	<a href="#">(link-)</a>

same in the Annual Corporate Governance Report consistent with ASEAN Corporate Governance Scorecard (ACGS) and the Revised Corporation Code,			
3. Company discloses the remuneration on an individual basis, including termination and retirement provisions.	Compliant	Provide breakdown of director remuneration and executive compensation, particularly the remuneration of the CEO.	<a href="#">(link-)</a>
<b>Recommendation 8.5</b>			
1. Company discloses its policies governing Related Party Transactions (RPTs) and other unusual or infrequently occurring transactions	Compliant	Disclose or provide reference/link to company's RPT policies.  Indicate if the director with conflict of interest abstained from the board discussion on that particular transaction	This is addressed in section IV. D. of the MCG (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; 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.	Same as above
<b>Recommendation 8.7</b>			
1. Company's corporate governance policies, programs and procedures are contained in its	Compliant	Provide link to the company's where the Manual on Corporate Governance is posted.	See MCG <a href="#">(link-)</a>

Manual on Corporate Governance (MCG).			
2. Company's MCG is posted on its company website.	Compliant		Same as above
<p><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.</p>			
Recommendation 9.1			
1. Audit Committee has a robust process for approving and recommending the appointment, reappointment, removal, and fees of the external auditors,	Compliant	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,	This is addressed in section II. K. 1. of the MCG (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	Indicate the percentage of shareholders that ratified the appointment, reappointment, removal and fees of the external auditor,	Same as above
3. For removal of the external auditor, the reasons for removal or change are disclosed to the regulators and the public through the company website and required disclosures.	Compliant	Provide information on or link/reference to a document containing the company's reason for removal or change of external auditor,	Same as above
Recommendation 9.2			
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	Compliant	Provide link/reference to the company's Audit Committee Charter.	See Audit Committee Charter <a href="#">(link-)</a>

requirements.			
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	Provide link/reference to the company's Audit Committee Charter,	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	Disclose the nature of non-audit services performed by the external auditor, if any.	This is addressed in section II. L. 5e of the MCG (see page 22)
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	Provide link or reference to guidelines or policies on non-audit services.	<a href="#">(link-)</a>
<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	Disclose or provide link on the company's policies and practices on the disclosure of non-financial information, including EESG issues.	This is addressed in section II. K. 3h. of the MCG (see page 17)
2. Company adopts a global sustainability and non-financial issues.	Compliant	Provide link to Sustainability Report, if any. Disclose the standards used.	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.			

Recommendation 11.1			
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	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.	This is addressed in section III. A. of the MCG (see page 25)
Internal Control System and Risk Management Framework			
<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,			
Recommendation 12.1			
1. Company has an adequate and effective internal control system in the conduct of its business	Compliant	List quality service programs for the internal audit functions.  Indicate frequency of review of the internal control system.	This is addressed in section II. E. of the MCG (see page 8)
2. Company has an adequate and effective enterprise risk management framework in the conduct of its business.	Compliant	Identify international framework used for Enterprise Risk Management, Provide information or reference to a document containing information on : 1. Company's risk management procedures and processes 2. Key risks the company is currently facing 3, How the company manages the key risks  Indicate frequency of review of the enterprise risk management framework.	<a href="#">(link-)</a>
Recommendation 12.2			
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	Disclose if the internal audit is in-house or outsourced. If outsourced, identify external firm.	This is addressed in section II. L. 6. of the MCG (see page 23)

**Recommendation 12.3**

1. The company has a qualified Chief Audit Executive (CAE) appointed by the Board.	Compliant	Identify the company's Chief Audit Executive (CAE) and provide information on or reference to a document containing his/her responsibilities.	This is addressed in section II. L. 6. of the MCG (see page 23)
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	Identify qualified independent executive or senior management personnel, if applicable.	Same as above

**Recommendation 12.4**

1. The company has a separate risk management function to identify, assess and monitor key risk exposures.	Compliant	Provide information on company's risk management function.	This is addressed in section II. L. 6. of the MCG (see page 23)
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**Recommendation 12.5**

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

**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	This is addressed in section III. A. of the MCG (see page 24)
2. Board ensures that basic shareholder rights are disclosed on the company's website.	Compliant	Provide link to company's website	<a href="#">(link-)</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	Indicate the number of days before the annual stockholders' meeting or special stockholders' meeting when the notice and agenda were sent out  Indicate whether shareholders' approval of remuneration or any changes therein were included in the agenda of the meeting.  Provide link to the Agenda included in the company's Information Statement.	This is addressed in section III. B. of the MCG (see page 26)
<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	Provide information or 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	This is addressed in section III. of the MCG (see page 27)
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	Provide link to minutes of meeting in the company website.  Indicate voting results for all agenda items, including the approving, dissenting and abstaining votes,  Indicate also if the voting on resolutions was by poll.  Include whether there was opportunity to ask question	See minutes of the meetings <a href="#">(link-)</a>

		and the answers given, if any.	
<b>Recommendation 13.4</b>			
1. Board has an alternative dispute mechanism to resolve intra-corporate disputes in an amicable and effective manner	Compliant	Provide details of the alternative dispute resolution made available to resolve intra-corporate disputes.	This is addressed in section III. of the MCG (see page 27)
2. The alternative dispute mechanism is included in the company's Manual on Corporate Governance.	Compliant	Provide link/reference to where it is found in the Manual on Corporate Governance,	See MCG ( <a href="#">link-</a> )
<b>Duties to Stakeholders</b>			
<b>Principle 14:</b> 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.			
<b>Recommendation 14.1</b>			
1. Board identifies the company's various stakeholders and promotes the cooperation between them and the company in creating wealth, growth and sustainability.	Compliant	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.	This is addressed in section II. C. of the MCG (see page 5)
<b>Recommendation 14.2</b>			
1. Board establishes clear policies and programs to provide a mechanism on the fair treatment and protection of stakeholders.	Compliant	Identify policies and programs for the protection and fair treatment of company's stakeholders.	Same as above
<b>Recommendation 14.3</b>			
1. Board adopts a transparent framework and process that allow stakeholders to communicate with the company and to obtain redress for the violation of their rights,	Compliant	Provide the contact details 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.  Provide information on whistle blowing policy, practices and procedures for stakeholders.	Same as above
<b>Duties to Stakeholders</b>			

**Principle 15:** A mechanism for employee participation should be developed to create a symbiotic environment, realize the company's goals and participate in its corporate governance processes.

**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	Provide information on or link/reference to company policies, programs and procedures that encourage employee participation.	This is addressed in section II. C. of the MCG (see page 6)
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**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	Identify or provide link reference to the company's policies, programs and practices on anti-corruption.	Same as above See Code of Conduct ( <a href="#">link-</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	Identify how the Board disseminated the policy and program to employees across the organization.	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	Disclose or provide link/reference to the company whistle-blowing policy and procedure for employees.  Indicate if the framework includes procedures to protect the employees from retaliation, Provide contact details to report any illegal or unethical behavior.	See WPP ( <a href="#">link-</a> )
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		Same as above
3. Board supervises and ensures the enforcement of the whistle blowing framework	Compliant	Provide information on how the board supervised and ensured enforcement of the whistle blowing framework, including any incident of whistle blowing.	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

1. Company recognizes and places importance on the interdependence between business and society, and promotes a mutually beneficial relationship that allows the company to grow its business, while contributing to the advancement of the society where it operates	Compliant	Provide information or reference to a document containing information on the company's community involvement and environment-related programs.	This is addressed in section II. C. 19. of the MCG (see page 7)

**CERTIFICATION**

The undersigned certify that the responses and explanations set forth in the above company's Annual Corporate Governance Report are true, complete and correct of our own personal knowledge and/or based on authentic records.

Signed in the City of Pasig on the 30<sup>th</sup> day of May 2022.

J. ANTONIO A. CABANGON, JR.  
Chairman of the Board

MANUEL M. MALOLES  
President/CEO

SOCRATES M. AREVALO  
Corporate Secretary

CENON ANTONIO GERARD M. LUKBAN  
Compliance Officer

RAOUL V. VICTORINO  
Independent Director

VICTOR B. ABAT  
Independent Director

HERMINIA S. JACINTO  
Independent Director

JOSE G. BANZON, JR.  
Independent Director