

ANNUAL CORPORATE GOVERNANCE REPORT OF
KRM REINSURANCE BROKERS PHILS., INC.

1. For the fiscal year ended December 31, 2021
2. Certificate of Authority Number RB-09-2022-R-A
3. Makati City, Philippines
Province, Country or other jurisdiction of incorporation or organization
4. Suite 1804, 88 Corporate Center, Sedeño corner Valero Streets, Salcedo Village, Makati City
Address of principal office
1227
Postal Code
5. +632 8889-6858
Company's telephone number, including are code
6. www.kmrephils.com
Company's official website
7. Not Applicable
Former name, former address and former fiscal year, if changed since last report

ANNUAL CORPORATE GOVERNANCE REPORT

COMPLIANT/ NON-COMPLIANT	ADDITIONAL INFORMATION	EXPLANATION
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The Board's Governance Responsibilities

Principle 1: 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 interests of its shareholders and other stakeholders

Recommendation 1.1

1.	Board is composed of directors with collective working knowledge, experience or expertise that is relevant to the company's industry/sector.	Compliant	The Company's board is composed of six (6) directors with vast experience and expertise in insurance and other industries.	
2.	Board has an appropriate mix of competence and expertise.	Compliant	The Company has a balanced composition of competent directors.	
3.	Directors remain qualified for their positions individually and collectively to enable them to fulfill their roles and responsibilities and respond to the needs of the organization.	Compliant	Directors are individually expert in their own fields and there has been no incident that would disqualify them in the position.	

Recommendation 1.2

1.	Board is composed of a majority of non-executive directors.	Compliant	The Company's board is composed by majority of non-executive directors which is five (5) and (1) executive director holding the position of President & CEO.	
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Recommendation 1.3

1.	Company provides in its Board Charter or Manual on Corporate Governance a policy on training of directors.	Non-Compliant		The Company has yet to create a policy on training of directors.
2.	Company provides in its Board Charter or Manual on Corporate Governance an orientation program for first time directors.	Non-Compliant.		The Company has yet to include in its Manual for Corporate Governance the orientation program for first time director.
3.	Company has relevant annual continuing training for all directors.	Non-Compliant		The Company has yet to create a policy for annual continuing training of all directors.

Recommendation 1.4

1.	Board has a policy on board diversity	Compliant	The Company's Board is composed of members with diverse experience and expertise in direct/reinsurance broking, banking and investments businesses.	
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Recommendation 1.5

1.	Board is assisted in its duties by a Corporate Secretary.	Compliant	The Company's Board is assisted in its duties by its Corporate Secretary, Atty. Denise Anne V. Sales.	
2.	Corporate Secretary is a separate individual from the Compliance Officer.	Non-Compliant		The Company has yet to appoint its Compliance Officer.
3.	Corporate Secretary is not a member of the Board of Directors.	Compliant	The Company's Secretary is not a member of the Board of Directors.	
4.	Corporate Secretary attends training/s on corporate governance.			

Recommendation 1.6

1.	Board is assisted by a Compliance Officer.	Non-Compliant		The Company has yet to appoint a Compliance Officer.
2.	Compliance Officer has a rank of Vice President or an equivalent position with adequate stature and authority in the corporation.	Non-Compliant		
3.	Compliance Officer is not a member of the board.	Non-Compliant		
4.	Compliance Officer attends training/s on corporate governance annually.	Non-Compliant		

Principle 2: The fiduciary roles, responsibilities and accountabilities of the Board as provided under the law, the company's articles and the 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	Directors act on a fully informed basis, in good faith, with due diligence and care and in the best interest of the company. All significant matters are discussed and approved by the members of the board.	
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Recommendation 2.2

1.	Board oversees the development, review and approval of the company's business objectives and strategy.	Compliant	The key management presented to the Board its annual strategic plans for their review and approval.	
2.	Board oversees and monitors the implementation of the company's objectives and strategy in order to sustain the company's long-term viability and strength.	Compliant	The board oversees and monitors the implementation of the company's objectives and strategy during the meeting with the executive director.	

Recommendation 2.3

1.	Board is headed by a competent and qualified Chairperson.	Compliant	Mr. Paolo L. Picazo is a competent and qualified Chairman of the Board. He has	
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Recommendation 2.4

1.	Board ensures and adopts an effective succession planning program for directors, key officers and management.	Non-Compliant		The Company has yet to adopt a policy on effective succession planning program for directors, key officers and management.
2.	Board adopts a policy on the retirement for directors and key officers.	Non-Compliant		

Recommendation 2.5

1.	Board formulates and adopts a policy specifying the relationship between remuneration and performance of key officers and board members.	Compliant	The Company is not giving remunerations to board members. Each non-executive director is given a fixed per diem for each meeting attended.	
2.	Board aligns the remuneration of key officers and board members with long-term interests of the company.	Compliant	The remuneration of key officers are aligned with the long-term interests of the company.	
3.	Directors do not participate in discussions or deliberations involving his/her own remuneration	Compliant	Directors are not paid of remuneration but only per diems for every meeting attended.	

Recommendation 2.6

1.	Board has a formal and transparent board nomination and election policy.	Non-Compliant		The Company has yet to create board nomination and election policy.
2.	Board nomination and election policy is disclosed in the company's Manual on Corporate Governance.	Non-Compliant		
3.	Board nomination and election policy includes how the company accepts nominations from minority shareholders.	Non-Compliant		
4.	Board nomination and election policy includes how the board reviews nominated candidates.	Non-Compliant		
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.	Non-Compliant		
6.	Board has a process for identifying the quality of directors that is aligned with the strategic direction of the company.	Non-Compliant		

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.	Non-Compliant		The Company has yet to create policy and system governing related party transactions (RPT).
2.	RPT policy includes appropriate review and approval of material RPTs, which guarantee fairness and transparency of the transactions.	Non-Compliant		

3.	RPT policy encompasses all entities within the group, taking into account their size, structure, risk profile and complexity of operations.	Non-Compliant		
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	The Board is primarily responsible for approving the selection and assessing the performance of Management led by the CEO but there is no heads of other control functions (Chief Risk Officer, Chief Compliance Officer and Chief Audit Executive appointed yet.	
2.	Board is primarily responsible for assessing the performance of Management led by the Chief Executive Officer (CEO) and the heads of other control functions (Chief Risk Officer, Chief Compliance Officer and Chief Audit Executive).	Compliant		
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	The management adopted the Business Score Card (BSC) as the effective performance management framework to ensure that Management including the Chief Executive Officer and other personnel's performance is at par with the standards set by the Board and Senior Management.	
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		
Recommendation 2.10				
1.	Board oversees that an appropriate internal control system is in place.	Non-Compliant		The company has yet to create internal control system.
2.	The internal control system includes a mechanism for monitoring and managing potential conflict of interest of the Management, members and shareholders.	Non-Compliant		
3.	Board approves the Internal Audit Charter.	Non-Compliant		
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.	Non-Compliant		The company has yet to establish a sound Enterprise Risk Management (ERM) framework.
2.	The risk management framework guides the Board in identifying units/business lines and enterprise-level risk exposures, as well as the effectiveness of risk management strategies.	Non-Compliant		
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.	Non-Compliant		The company has yet to create a Board Charter.
2.	Board Charter serves as a guide to the directors in the performance of their functions.	Non-Compliant		
3.	Board Charter is publicly available and posted on the company's website.	Non-Compliant		
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.	Non-Compliant		The Board has yet to establish board committees that will focus on specific board functions to aid in the optimal performance of its roles and responsibilities.

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.	..	The Board has yet to establish Audit Committee.
2.	Audit Committee is composed of at least three appropriately qualified non-executive directors, the majority of whom, including the Chairman is independent.	Non-Compliant	
3.	All the members of the committee have relevant background, knowledge, skills and/or experience in the areas of accounting, auditing and finance.	Non-Compliant	
4.	The Chairman of the Audit Committee is not the Chairman of the Board or of any other committee.	Non-Compliant	
Recommendation 3.3			
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.	Non-Compliant	The Board has yet to establish a Corporate Governance Committee.
2.	Corporate Governance Committee is composed of at least three members, majority of whom should be independent directors.	Non-Compliant	
3.	Chairman of the Corporate Governance Committee is an independent director.	Non-Compliant	
Recommendation 3.4			
1.	Board establishes a separate Board Risk Oversight Committee (BROC) should be responsible for the oversight of a company's Enterprise Risk Management system to ensure its functionality and effectiveness.	Non-Compliant	The Board has yet to establish a separate Board Risk Oversight Committee (BROC)
2.	BROC is composed of at least three members, the majority of whom should be independent directors, including the Chairman.	Non-Compliant	
3.	The Chairman of the BROC is not the Chairman of the Board or any other committee.	Non-Compliant	
4.	At least one member of the BROC has relevant thorough knowledge and experience on risk and risk management.	Non-Compliant	
Recommendation 3.5			
1.	The Board establishes a Related Party Transaction (RPT) Committee, which is tasked with reviewing all material related party transactions of the company.	Non-Compliant	The Board has yet to establish a Related Party Transaction (RPT) Committee.
2.	RPT Committee is composed of at least three non-executive directors, majority of whom should be independent, including the Chairman.	Non-Compliant	
Recommendation 3.6			
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.	Non-Compliant	The company has yet to establish recommended committees as such no Committee Charters also in placed.
2.	Committee Charters provide standards for evaluating the performance of the Committees.	Non-Compliant	
3.	Committee Charters were fully disclosed on the company's website.	Non-Compliant	

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	The directors attends and actively participates in all meetings of the Board. Attendance of the Board are indicated in the Minutes of the Meetings which are held only if there is a quorum. Before every meeting, the minutes of the previous meetings are reviewed and approved by the Board.
2.	The directors review meeting materials for all Board and Committee meetings.	Compliant	
3.	The directors asks the necessary questions or seek clarifications and explanations during the Board and Committee meetings.	Compliant	

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	None of the non-executive directors concurrently serve as directors of other ICREs.
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Recommendation 4.3

	The directors notify the company's board where he/she is an incumbent director before accepting a directorship in another company.	Compliant	The notification is done during the nomination process.
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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 (20%) independent directors.	Compliant	The Board is composed of six (6) directors consisting of two (2) independent directors.
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Recommendation 5.2

1.	The independent directors possess all the necessary qualifications and none of the disqualifications to hold the position.	Compliant	The Company's independent directors possess all the necessary qualifications of a director and none of the disqualifications.
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Recommendation 5.3

1.	The independent directors serve for a maximum cumulative term of nine years.	Compliant	Both the two (2) independent directors of the company has not serve the maximum 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.		
	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	No independent director serving under such capacity after the term limit of nine years.
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	No independent director serving under such capacity after the term limit of nine years.

Recommendation 5.4

1.	The positions of Chairman of the Board and Chief Executive Officer are held by separate individuals.	Compliant	The company's Chairman of the Board and Chief Executive Officer have clearly defined responsibilities.
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2.	The Chairman of the Board and Chief Executive Officer have clearly defined responsibilities.	Compliant	The company's Chairman of the Board and Chief Executive Officer are held by separate individuals.	
Recommendation 5.5				
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.	Non-Compliant		The company has yet to appoint a lead director among the independent directors.
Recommendation 5.6				
1.	Directors with material interest in a transaction affecting the corporation should abstain from taking part in the deliberations for the same.	Non-Compliant		The company has yet to create a policy on directors with material interest abstaining from taking part in the deliberations for the same.
Recommendation 5.7				
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.	Non-Compliant		The company has yet to create a policy for NEDs to have separate meetings with the external auditor and heads of the internal audit, compliance and risk functions without executive directors present to ensure proper checks and balances are in place within the corporation.
2.	The meetings are chaired by the lead independent director.	Non-Compliant		The company has yet to appoint a lead independent director.

Principle 6: The best measure of the Board's effectiveness is through an assessment process. The Board should regularly carry out evaluations to appraise its performance as a body and assess whether it possesses the right mix of backgrounds and competencies.

Recommendation 6.1				
1.	The Board conducts an annual assessment of its performance as a whole.	Non-Compliant		The company's Board has yet to conduct its annual assessment including its Chairman.
2.	The performance of the Chairman is assessed annually by the Board.	Non-Compliant		
3.	The performance of the individual member of the Board is assessed annually by the Board.	Non-Compliant		
4.	The performance of each committee is assessed annually by the Board.	Non-Compliant		
5.	Every three years, the assessments are supported by an external facilitator.	Non-Compliant		

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.	Non-Compliant		The company's Board has yet to create a system that provides minimum criteria and process to determine the performance of the Board and individual directors.
2.	The system allows for a feedback mechanisms from the shareholders.	Non-Compliant		

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

Recommendation 7.1				
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	The company has established Code of Conduct for all its employees and officers. The Code of Conduct can be accessed thru company's shared folder and each employees are also given a copy.	
2.	The Code is properly disseminated to the Board, senior management and employees.	Compliant		
3.	The Code is disclosed and made available to the public through the company website.	Compliant		

Recommendation 7.2			
1.	Board ensures the proper and efficient implementation and monitoring of compliance with the Code of Business Conduct and Ethics.	Compliant	The company's HR Dept. ensures proper and efficient implementation of the Code of Business Conduct and Ethics and internal policies.
2.	Board ensures the proper and efficient implementation and monitoring of compliance with company internal policies.	Compliant	

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.	Non-Compliant	The company has yet to establish a corporate disclosure policies and procedures.

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.	Non-Compliant	The company's Board has yet to conduct its annual assessment including its Chairman.
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.	Non-Compliant	

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	The directors receive PhP 5,000.00 per diem only when attending Board meetings.
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	Compliant	This is disclosed to shareholders.
3.	Company discloses the remuneration on an individual basis, including termination and retirement provisions.	Compliant	This is disclosed to shareholders.

Recommendation 8.5			
1.	Company discloses its policies governing Related Party Transactions (RPTs) and other unusual or infrequently occurring transactions.	Compliant	The company has yet to adopt a formal RPT policy in the Manual on Corporate Governance but as required by the Philippine Financial Reporting Standards, material and significant RPTs are disclosed in the Notes to Financial Statement which are reviewed and approved by the Board.
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	

Recommendation 8.7			
1.	Company's corporate governance policies, programs and procedures are contained in its Manual on Corporate Governance (MCG)	Compliant	The Company's Manual on Corporate Governance is currently published in the Company's website.
2.	Company's MCG is posted on its company website.	Compliant	

Principle 9: The Company should establish standards for the appropriate selection of an external auditor, and exercise effective oversight of the same to strengthen the external auditor's independence and enhance audit quality.

Recommendation 9.1			
1.	Audit Committee has a robust process for approving and recommending the appointment, reappointment, removal and fees of the external auditors.	Compliant	The appointment and reappointment, including the fees of external auditors are discussed and approved by the Board.
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	
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	
Recommendation 9.2			
1.	Audit Committee Charter includes the Audit Committee's responsibility on:	Compliant	The company has yet to establish Audit Committee Charter though the Board these recommendations are part of the duties and responsibilities of the Board.
	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 to the Philippine professional and regulatory 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	
Recommendation 9.3			
1.	Company discloses the nature on non-audit services performed by its external auditor in the Annual Report to deal with the potential conflict of interest.	Compliant	The company does not engage its external auditors for non-audit services.
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	

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

Recommendation 10.1			
1.	Board has a clear and focused policy on the disclosure of non-financial information with emphasis on the management of economic, environmental, social and governance (EESG) issues of its business, which underpin sustainability.	Non-Compliant	The company has yet to establish a clear and focused policy on the disclosure of non-financial issues/information.
2.	Company adopts a globally recognized standards/framework in reporting sustainability and non-financial issues.	Non-Compliant	

Principle 11: The Company should maintain a comprehensive and cost-efficient communication channel for disseminating relevant information. This channel is crucial for informed decision-making by investors, stakeholders and other interested users.

Recommendation 11.1			
1.	The company should have a website to ensure a comprehensive, cost efficient, transparent, and timely manner of disseminating relevant information to the public.	Compliant	The company's website is www.krmrephils.com

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

Recommendation 12.1			
1.	Company has an adequate and effective internal control system in the conduct of its business.	Compliant	Internal control issues are immediately addressed by the concerned department and key management officer especially those that are flagged by the external auditors.
2.	Company has an adequate and effective enterprise risk management framework in the conduct of its business.	Compliant	

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.	Non-Compliant	The company has yet to create Internal Control Committee to handle internal control function.

Recommendation 12.3			
1.	Company has a qualified Chief Audit Executive (CAE) appointed by the Board.	Non-Compliant	The company has yet to create Internal Control Committee to handle internal control function.
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.	Non-Compliant	
3.	In case of a fully outsourced internal audit activity, a qualified independent executive or senior management personnel is assigned the responsibility for managing the fully outsourced internal audit activity.	Non-Compliant	

Recommendation 12.4			
1.	Company has a separate risk management function to identify, assess and monitor key risk exposures.	Non-Compliant	The company has yet to establish an enterprise risk management framework to handle the risk management function.

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).	Non-Compliant	The company has yet to establish a CRO to handle the ERM.
2.	CRO has adequate authority, stature, resources and support to fulfill his/her responsibilities.	Non-Compliant	

Principle 13: To 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	The company's Manual on Corporate Governance provides the rights of the shareholders.
2.	Board ensures that basis shareholder rights are disclosed on the company's website.	Compliant	

Recommendation 13.2			
1.	Board encourages active shareholder participation by sending the notice of Annual and Special Shareholders' Meeting with sufficient and relevant information at least 21 days before the meeting	Compliant	All shareholders engage and participate in the shareholders meetings. Notice of the meeting are prepared by the Corporate Secretary and are given to them prior to the actual meeting in accordance with the Company's by-laws.

Recommendation 13.3			
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.	Non-Compliant	The company's shareholders consist only of few companies and individuals, thus the results of the votes taken during the meeting are already known to them and does not need to be publicly available.
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.	Non-Compliant	

Recommendation 13.4			
1.	Board has an alternative dispute mechanism to resolve intra-corporate disputes in an amicable and effective manner.	Non-Compliant	The company has yet to establish an alternative dispute mechanism.
2.	The alternative dispute mechanism is included in the company's Manual on Corporate Governance.	Non-Compliant	

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

Recommendation 14.1			
1.	Board identifies the company's various stakeholders and promotes cooperation between them and the company in creating wealth, growth and sustainability.	Compliant	The company's major stakeholders are its clients, employees, partner-insurers, service providers, counterparties, government regulations, competitors and communities in which the company operates.

Recommendation 14.2			
1.	Board establishes clear policies and programs to provide a mechanism on the fair treatment and protection of stakeholders.	Compliant	Contracts with suppliers are all reviewed by the management and the Board when appropriate.

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	All the officers and employees can be easily contacted. The contact details of the company office were also published in the company's website.

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	The company has implemented various activities that encourages employees to actively participate in the company events such as wellness/recreation program, outing and town hall meetings.

Recommendation 15.2			
1.	Board sets the tone and makes a stand against corrupt practices by adopting an anti-corruption policy and program in its Code of Conduct.	Compliant	The company has adopted its Anti-Corruption Policy and program which is integrated in its Code of Conduct. The same forms part of the company's onboarding process for new hires.
2.	Board disseminates that policy and program to employees across the organization through trainings to embed them in the company's culture.	Compliant	

Recommendation 15.3			
1.	Board establishes a suitable framework for whistleblowing that allows employees to freely communicate their concerns about illegal or unethical practices, without fear or retaliation.	Compliant	The procedures and guidelines are on the company's Code of Conduct.
2.	Board establishes a suitable framework for whistleblowing that allows employees to have direct access to an independent member of the Board or a unit created to handle whistleblowing concerns.	Compliant	

3.	Board supervises and ensures the enforcement of the whistleblowing framework.	Compliant	The Board and the top management set good example in the observance of the Company's core values.	
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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 independence 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	The company is open to engage in various corporate social responsibility (CSR) activities such as environmental and humanitarian projects.	
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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 Makati on the _____ of **JUL 14 2022**



ENGR. JEREMY JACOB Y. ABAÑO
President & CEO

JUL 14 2022

SUBSCRIBED AND SWORN to before me this _____ of 20 _____, by the following who are all personally known to me (or whom I have identified through competent evident of identity) and who exhibited to me their respective identification documents as follows:

NAME	ID NO.	DATE/PLACE ISSUED
1. Jeremy Jacob Y. Abaño	P1551030B	April 30, 2019 / DFA NCR SOUTH

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ATTY. GEORGE DAVID D. SITON
NOTARY PUBLIC FOR MAKATI CITY
APPEL NO. M-061 / UNTIL DEC. 31, 2023
ROLL NO. 68402 / MCLE COMPLIANCE NO. VII-0010136/2-15-2022
IBP O.R No. 002782-LIFETIME MEMBER MAY 5, 2017
PTR No. 8852066- JAN 03, 2022-MAKATI CITY
EXECUTIVE BLDG. CENTER MAKATI AVE., COR. JUPITER ST., MAKATI CITY