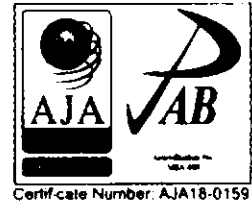
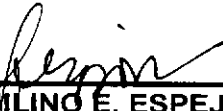




Republic of the Philippines
 Department of Finance
INSURANCE COMMISSION
 1071 United Nations Avenue
 Manila



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TRANQUILINO E. ESPEJON
 IC Supervising Administrative Officer
 Administrative Division
 Insurance Commission

Circular Letter (CL) No.:	2020-72
Date:	13 June 2020
Amending:	None

Date: _____

CIRCULAR LETTER

TO : ALL INSURANCE/REINSURANCE COMPANIES, INSURANCE AND REINSURANCE BROKERS, MUTUAL BENEFIT ASSOCIATIONS, PRE-NEED COMPANIES AND HEALTH MAINTENANCE ORGANIZATIONS

SUBJECT : SUBMISSION OF THE ANNUAL CORPORATE GOVERNANCE REPORT (ACGR)

WHEREAS, the Annual Corporate Governance Report (ACGR) aims to assess all Insurance Commission Regulated Companies' (ICRCs) observance of different principles and recommendations of the Insurance Commission's Code of the Corporate Governance.

WHEREAS, the Philippine Government and the World Bank (WB) signed a Development Policy Loan (DPL) to support the Philippines in promoting competitiveness, enhancing fiscal sustainability and strengthening financial resilience to natural disasters and climate change.

WHEREAS, in the DPL, the Insurance Commission (IC) is in-charge of *Objective 8: Improve private insurance market sustainability for natural disasters and climate change*.

WHEREAS, a *Memorandum of Understanding (MOU)* dated 28 January 2020 has been signed among Philippine Insurers and Reinsurers Associations (PIRA), National Reinsurance Corporation of the Philippines (NatRe) and the Insurance Commission (IC) to cooperatively strengthen catastrophe resilience in the Philippines.

WHEREAS, all non-life insurance and professional reinsurance companies need to provide additional information on the companies' policies and programs on its participation in the Philippine Catastrophe Insurance Facility, if applicable, to be included in the submission of the ACGR.

NOW THEREFORE, pursuant to the powers granted to the Insurance Commissioner under Section 437 of the Insurance Code of the Philippines, as

amended, Section 6 of R.A. No. 9829, otherwise known as the Pre-Need Code of the Philippines, and Section 4 of Executive Order (E.O.) No. 192, Series of 2015, all ICRCs are mandated to submit an ACGR¹ subject to the following:

Section 1 - PERIOD OF SUBMISSION; WHERE SUBMITTED

All ICRCs² shall submit two (2) copies of a fully accomplished and certified under oath ACGR to the *Corporate Governance Unit* of the Commission. Initial submission shall be on or before 30 May 2021 based on the ICRC's 2020 operations. Subsequent submission of the fully accomplished and certified under oath ACGR to the IC shall be on or before 30 May of each year.

Section 2 – COVERAGE OF THE ACGR.

The ACGR shall cover all relevant information from January to December of the given year.

Section 3 – REQUIRED SIGNATORIES.

Copies of the ACGR that will be submitted to the IC shall be duly notarized and shall bear the original signatures of the following signatories:

- a. Chairman of the Board;
- b. President or Chief Executive Officer (CEO);
- c. All Independent Directors;
- d. Corporate Governance Compliance Officer; and
- e. Corporate Secretary.

Section 4 – UPLOADING OF ACGR IN THE COMPANY'S WEBSITE.

A. All ICRCs shall maintain a company website. The ACGR with accessible links shall be posted to the ICRCs' respective website within five (5) business days from submission to the IC.

B. Copies of supporting documents to ACGR responses shall also be posted to the ICRCs' respective websites. The documents to be posted in the company's website shall include:

- a. Latest Annual Report;
- b. Latest approved Annual Statements;
- c. Company announcements;
- d. Article of incorporation or association;
- e. Minutes of annual shareholder's meetings (or an excerpt of the said minutes);
- f. Corporate Governance Policies;
- g. Codes of Conduct;

Date: _____


TRANQUINO E. ESPEJON
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Administrative Division
Insurance Commission

¹ ACGR Form as Annex A hereof.

²Include insurance/reinsurance companies, insurance and reinsurance brokerage companies, mutual benefit associations, pre-need companies and health maintenance organization companies duly authorized by the Insurance Commission to conduct business.

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- h. Sustainability reports;
- i. Updated list of members of Board of Directors and Executive Officers; and
- j. Other supporting document to the ACGR responses.

Section 5. - GENERAL INSTRUCTION IN ANSWERING THE ACGR

A. Use of the ACGR

The ACGR Form shall be used as a tool to disclose ICRCs compliance/non-compliance with the recommendations provided under the Code of Corporate Governance for ICRCs, which follows the "comply or explain" approach. If a company cannot comply with the Code, it must identify any areas of non-compliance, explain the reasons, and provide action plan to address non-compliant areas.

The ACGR shall contain the descriptions and explanations written in plain language and in a clear, complete, objective and precise manner, so that shareholders and other stakeholders can assess the company's governance framework.

B. Preparation of Report

These general instructions are not to be filed with the report. The report shall contain the numbers and captions of all items.

The ACGR has four columns, arranged as follows:

RECOMMENDED CG PRACTICE/ POLICY	COMPLIANT/ NON-COMPLIANT	ADDITIONAL INFORMATION	EXPLANATION
<p>Contains CG Practices/ Policies, labelled as "Recommendations", which were derived from the CG Code for ICRCs.</p>	<p>The company shall indicate compliance or non-compliance with the recommended practice.</p>	<p>The company shall provide additional information to support their compliance with the recommended CG practice.</p>	<p>The ICRCs shall provide the explanations for any non-compliance, pursuant to the "comply or explain" approach.</p> <p>Please note that the explanation given should describe the non-compliance and include how the overall Principle being recommended is still being achieved by the company.</p> <p>**"Not Applicable" or "None" shall not be considered as</p>

Date: _____

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 Insurance Commission

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			sufficient explanation
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C. Signature and Filing of the Report

1. Two (2) copies of a fully accomplished ACGR shall be filed with the Insurance Commission on or before May 30 of the following year;
2. Each copies of the ACGR shall be duly notarized and shall bear the original and manual signatures;
3. The ACGR shall be certified under oath by: (1) Chairman of the Board; (2) CEO or President; (3) All Independent Directors; (4) Corporate Governance Compliance Officer; and (5) Corporate Secretary;

The ACGR shall cover all relevant information from January to December of the given year.

Section 8 – SPECIAL PROVISION FOR NON-LIFE INSURANCE AND PROFESSIONAL REINSURANCE COMPANIES.

All non-life insurance and professional reinsurance companies are mandated to provide additional information on the companies' policies and programs on its participation in the Philippine Catastrophe Insurance Facility, if applicable.

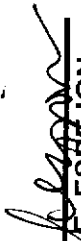
Section 9 – IMPOSABLE PENALTIES.

The imposable penalties are as follows:

VIOLATION	BASIC PENALTY	MONTHLY PENALTY
1. Non/ Late Submission of two (2) copies of ACGR to the Insurance Commission	PhP50,000.00	PhP5,000.00
2. Disclosure(s)		

Date:

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TRANQUILINO E. ESPEJON
 IC Supervising Administrative Officer
 Administrative Division
 Insurance Commission

a. Incomplete (i.e. no explanation provided; no alternative practices to achieve over-all principle)	PhP25,000.00	PhP2,500.00
b. Misrepresentation/ Misinformation	PhP100,000.00	PhP10,000.00
3. Signatories		
a. Incomplete	Php10,000.00	PhP1,000.00
b. Incorrect		
4. Failure to maintain company's website	1 st violation: PhP25,000.00 2 nd violation: PhP50,000.00 Succeeding violations: PhP100,000.00	None
5. Non/ late posting of ACGR with accessible link to the company's website	PhP50,000.00	PhP5,000.00
6. Non/ late posting of the ACGR supporting documents to the company's website	PhP10,000.00 per document	PhP500.00

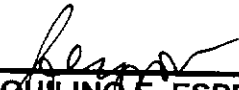
Section 10 – OVERSEEING UNIT.

The Corporate Governance Unit shall ensure compliance with this Circular.



Section 11 – EFFECTIVITY.

This Circular Letter shall take effect immediately.

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TRANQUILINO E. ESPEJON
 IC Supervising Administrative Officer
 Administrative Division
 Insurance Commission


DENNIS B. FUNA
 Insurance Commissioner 


Date: _____

ANNUAL CORPORATE GOVERNANCE REPORT OF

(Name of Company)

1. For the fiscal year ended
2. Certificate Authority Number
3.
Province, Country or other jurisdiction of incorporation or organization
4.
Address of principal office Postal Code
5.
Company's telephone number, including area code
6.
Company's official website
7.
Former name, former address, and former fiscal year, if changed since last report.

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TRANQUILINO E. ESPEJON
IC Supervising Administrative Officer
Administrative Division
Insurance Commission

Date: _____

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 best 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.		Provide information or link/reference to a document containing information on the following:	
2. Board has an appropriate mix of competence and expertise.		1. Academic qualifications, industry knowledge, professional experience, expertise and relevant trainings of 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.		2. Qualification standards for directors to facilitate the selection of potential nominees and to serve as benchmark for the evaluation of its performance	

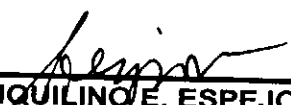
Recommendation 1.2

1. Board is composed of a majority of non-executive directors.		Identify or provide link/reference to a document identifying the directors and the type of their directorships	
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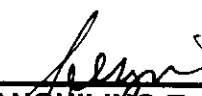
Recommendation 1.3

1. Company provides in its Board Charter or Manual on Corporate Governance a policy on training of directors.		Provide link or reference to the company's Board Charter or Manual on Corporate Governance relating to its policy on training of directors.	
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 IC Supervising Administrative Officer
 Administrative Division
 Insurance Commission

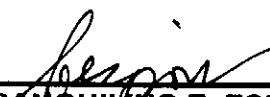
Date: _____

2. Company provides in its Board Charter or Manual on Corporate Governance an orientation program for first time directors.		Provide information or link/reference to a document containing information on the orientation program and trainings of directors for the previous year, including the number of hours attended and topics covered.	
3. Company has relevant annual continuing training for all directors.			
Recommendation 1.4			
1. Board has a policy on board diversity.		Provide information on or link/reference to a document containing information on the company's board diversity policy. Indicate gender composition of the board.	
Recommendation 1.5			
1. Board is assisted in its duties by a Corporate Secretary.		Provide information on or link/reference to a document containing information on the Corporate Secretary, including his/her name, qualifications, duties and functions.	
2. Corporate Secretary is a separate individual from the Compliance Officer.			
3. Corporate Secretary is not a member of the Board of Directors.			
4. Corporate Secretary attends training/s on corporate governance.		Provide information or link/reference to a document containing information on the corporate governance training attended, including number of hours and topics covered.	<p style="text-align: right;">CERTIFIED TRUE / PHOTO COPY</p> <div style="text-align: right;">  <hr style="width: 100%; border: 0.5px solid black;"/> TRANQUILINO E. ESPEJON IC Supervising Administrative Officer Administrative Division Insurance Commission </div>

Recommendation 1.6			
1. Board is assisted by a Compliance Officer.		Provide information on or link/reference to a document containing information on the Compliance Officer, including his/her name, position, qualifications, duties and functions.	
2. Compliance Officer has a rank of Vice President or an equivalent position with adequate stature and authority in the corporation.			
3. Compliance Officer is not a member of the board.			
4. Compliance Officer attends training/s on corporate governance annually.		Provide information on or link/reference to a document containing information on the corporate governance training attended, including number of hours and topics covered	

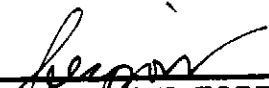
Principle 2: The fiduciary roles, responsibilities and accountabilities of the Board as provided under the law, the company's articles and by-laws, and other legal pronouncements and guidelines should be clearly made known to all directors as well as to stockholders and other stakeholders.

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.		Provide information or reference to a document containing information on how the directors performed their duties (can include board resolutions, minutes of meeting)	

Recommendation 2.2			
1. Board oversees the development, review and approval of the company's business objectives and strategy.		Provide information or link/reference to a document containing information on how the directors performed this function (can include board resolutions, minutes of meeting)	<p align="center">CERTIFIED TRUE / PHOTO COPY</p>  TRANQUILINO E. ESPEJON IC Supervising Administrative Officer Administrative Division Insurance Commission
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..		Indicate frequency of review of business objectives and strategy	

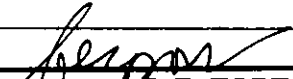
Recommendation 2.3			
1. Board is headed by a competent and qualified Chairperson.		Provide information or reference to a document containing information on the Chairperson, including his/her name and qualifications	
Recommendation 2.4			
1. Board ensures and adopts an effective succession planning program for directors, key officers and management.		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	
2. Board adopts a policy on the retirement for directors and key officers.			
Recommendation 2.5			
1. Board formulates and adopts a policy specifying the relationship between remuneration and performance of key officers and board members.		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.	
2. Board aligns the remuneration of key officers and board members with long-term interests of the company.			
3. Directors do not participate in discussions or deliberations involving his/her own remuneration.			

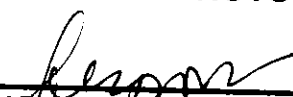
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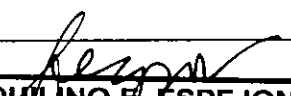


TRANQUILINO E. ESPEJON
 IC Supervising Administrative Officer
 Administrative Division
 Insurance Commission

Date: _____

Recommendation 2.6			
1. Board has a formal and transparent board nomination and election policy.		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.	
2. Board nomination and election policy is disclosed in the company's Manual on Corporate Governance.			
3. Board nomination and election policy includes how the company accepts nominations from minority shareholders.		Provide proof if minority shareholders have a right to nominate candidates to the board.	
4. Board nomination and election policy includes how the board reviews nominated candidates.			
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.		Provide information if there was an assessment of the effectiveness of the Board's processes in the nomination, election or replacement of a director.	
6. Board has a process for identifying the quality of directors that is aligned with the strategic direction of the company.			
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.		Provide information on or reference to a document containing the company's policy on related party transaction, including policy on review and approval of significant RPTs	
2. RPT policy includes appropriate review and approval of material RPTs, which guarantee fairness and transparency of the transactions.		Identify transactions that were approved pursuant to the policy.	CERTIFIED TRUE / PHOTO COPY
3. RPT policy encompasses all entities within the group, taking into account their size, structure, risk profile and complexity of operations.			
			 TRANQUILINO E. ESPEJON IC Supervising Administrative Officer Administrative Division Insurance Commission

Recommendation 2.8			
<p>1. Board is primarily responsible for approving the selection of Management led by the Chief Executive Officer (CEO) and the heads of the other control functions (Chief Risk Officer, Chief Compliance Officer and Chief Audit Executive).</p>		<p>Provide information on or reference to a document containing the Board's policy and responsibility for approving the selection of management.</p> <p>Identify the Management team appointed.</p>	
<p>2. Board is primarily responsible for assessing the performance of Management led by the Chief Executive Officer (CEO) and the heads of the other control functions (Chief Risk Officer, Chief Compliance Officer and Chief Audit Executive).</p>		<p>Provide information on or reference to a document containing the Board's policy and responsibility for assessing the performance of management.</p> <p>Provide information on the assessment process and indicate frequency of assessment of performance.</p>	
Recommendation 2.9			
<p>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.</p>		<p>Provide information on or link/reference to a document containing the Board's performance management framework for management and personnel.</p>	
<p>2. Board establishes an effective performance management framework that ensures that personnel's performance is at par with the standards set by the Board and Senior Management.</p>			<p style="text-align: right;">CERTIFIED TRUE / PHOTO COPY</p> <div style="text-align: right;">  <hr/> TRANQUILINO E. ESPEJON IC Supervising Administrative Officer Administrative Division Insurance Commission </div>

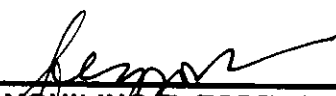
Recommendation 2.10			
1. Board oversees that an appropriate internal control system is in place.		Provide information on or link/reference to a document showing the Board's responsibility for overseeing that an appropriate internal control system is in place and what is included in the internal control system	
2. The internal control system includes a mechanism for monitoring and managing potential conflict of interest of the Management, members and shareholders.			
3. Board approves the Internal Audit Charter.		Provide reference or link to the company's Internal Audit Charter	
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.		Provide information on or link/reference to a document showing the Board's oversight responsibility on the establishment of a sound enterprise risk management framework and how the board was guided by the framework.	
2. The risk management framework guides the Board in identifying units/business lines and enterprise-level risk exposures, as well as the effectiveness of risk management strategies.		Provide proof of effectiveness of risk management strategies, if any.	
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.		Provide link to the company's website where the Board Charter is disclosed.	
2. Board Charter serves as a guide to the directors in the performance of their functions.			CERTIFIED TRUE / PHOTO COPY
3. Board Charter is publicly available and posted on the company's website.			
			 TRANQUILINO E. ESPEJON IC Supervising Administrative Officer Administrative Division Insurance Commission

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

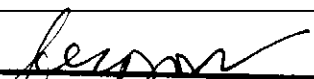
1. Board establishes board committees that focus on specific board functions to aid in the optimal performance of its roles and responsibilities.		Provide information or link/reference to a document containing information on all the board committees established by the company.	
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Recommendation 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.		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.	
2. Audit Committee is composed of at least three appropriately qualified non-executive directors, the majority of whom, including the Chairman is independent.		Provide information or link/reference to a document containing information on the members of the Audit Committee, including their qualifications and type of directorship.	
3. All the members of the committee have relevant background, knowledge, skills, and/or experience in the areas of accounting, auditing and finance.		Provide information or link/reference to a document containing information on the background, knowledge, skills, and/or experience of the members of the Audit Committee.	
4. The Chairman of the Audit Committee is not the Chairman of the Board or of any other committee.		Provide information or link/reference to a document containing information on the Chairman of the Audit Committee	<p align="center">CERTIFIED TRUE / PHOTO COPY</p>  <p align="center">TRANQUILINO E. ESPEJON IC, Supervising Administrative Officer Administrative Division Insurance Commission</p>

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.		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.	
2. Corporate Governance Committee is composed of at least three members, majority of whom should be independent directors.		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.	
3. Chairman of the Corporate Governance Committee is an independent director.		Provide information or link/reference to a document containing information on the Chairman of the Corporate Governance Committee.	
Recommendation 3.4			
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.		Provide information or link/reference to a document containing information on the Board Risk Oversight Committee (BROC), including its functions	
2. BROC is composed of at least three members, the majority of whom should be independent directors, including the Chairman.		Provide information or link/reference to a document containing information on the members of the BROC, including their qualifications and type of directorship	
3. The Chairman of the BROC is not the Chairman of the Board or of any other committee.		Provide information or link/reference to a document containing information on the Chairman of the BROC	

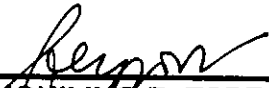
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 IC Supervising Administrative Officer
 Administrative Division
 Insurance Commission


4. At least one member of the BROC has relevant thorough knowledge and experience on risk and risk management.		Provide information or link/reference to a document containing information on the background, skills, and/or experience of the members of the BROC.	
Recommendation 3.5			
1. The Board establishes a Related Party Transactions (RPT) Committee, which is tasked with reviewing all material related party transactions of the company.		Provide information or link/reference to a document containing information on the Related Party Transactions (RPT) Committee, including its functions.	
2. RPT Committee is composed of at least three non-executive directors, majority of whom should be independent, including the Chairman.		Provide information or link/reference to a document containing information on the members of the RPT Committee, including their qualifications and type of directorship.	
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.		Provide information on or link/reference to the company's committee charters, containing all the required information, particularly the functions of the Committee that is necessary for performance evaluation purposes.	
2. Committee Charters provide standards for evaluating the performance of the Committees.			
3. Committee Charters were fully disclosed on the company's website.		Provide link to company's website where the Committee Charters are disclosed.	

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.

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TRANQUILINO E. ESPEJON
 IC Supervising Administrative Officer
 Administrative Division
 Insurance Commission

Date: _____

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.		Provide information or link/reference to a document containing information on the process and procedure for tele/videoconferencing board and/or committee meetings. Provide information or link/reference to a document containing information on the attendance and participation of directors to Board, Committee and shareholders' meetings.	
2. The directors review meeting materials for all Board and Committee meetings.			
3. The directors asks the necessary questions or seek clarifications and explanations during the Board and Committee meetings.		Provide information or link/reference to a document containing information on any questions raised or clarification/ explanation sought by the directors.	
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.		Disclose if the company has a policy setting the limit of board seats that a non-executive director can hold simultaneously. Provide information or reference to a document containing information on the directorships of the company's directors in both listed and non-listed companies.	
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.		Provide copy of written notification to the board or minutes of board meeting wherein the matter was discussed.	<p style="text-align: right;">CERTIFIED TRUE / PHOTO COPY</p> <div style="text-align: right;">  TRANQUILINO E. ESPEJON IC Supervising Administrative Officer Administrative Division Insurance Commission </div>

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

Recommendation 5.1

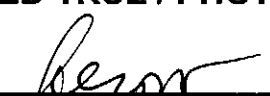
<p>1. The Board is composed of at least twenty percent (20%) independent directors.</p>		<p>Provide information or link/reference to a document containing information on the number of independent directors in the board.</p>	
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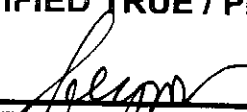
Recommendation 5.2

<p>1. The independent directors possess all the necessary qualifications and none of the disqualifications to hold the position.</p>		<p>Provide information or link/reference to a document containing information on the qualifications of the independent directors.</p>	
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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>		<p>Provide information or link/reference to a document showing the years IDs have served as such.</p>	
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<p>2. The company bars an independent director from serving in such capacity after the term limit of nine years.</p>		<p>Provide information or link/reference to a document containing information on the company's policy on term limits for its independent director.</p>	<p>CERTIFIED TRUE / PHOTO COPY</p> <p></p> <p>TRANQUILING E. ESPEJON IC Supervising Administrative Officer Administrative Division Insurance Commission</p>
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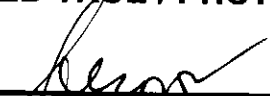
<p>3. In the instance that the company retains an independent director in the same capacity after nine years, the board submits to the Insurance Commission a formal written justification and seek shareholders' approval during the annual shareholders' meeting.</p>		<p>Provide proof on submission of a formal written justification to the Insurance Commission and proof of shareholders' approval during the annual shareholders' meeting.</p>	
Recommendation 5.4			
<p>1. The positions of Chairman of the Board and Chief Executive Officer are held by separate individuals.</p>		<p>Identify the company's Chairman of the Board and Chief Executive Officer.</p>	
<p>2. The Chairman of the Board and Chief Executive Officer have clearly defined responsibilities.</p>		<p>Provide information or link/reference to a document containing information on the roles and responsibilities of the Chairman of the Board and Chief Executive Officer.</p> <p>Identify the relationship of Chairman and CEO.</p>	
Recommendation 5.5			
<p>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.</p>		<p>Provide information or link/reference to a document containing information on a lead independent director and his roles and responsibilities, if any.</p> <p>Indicate if Chairman is independent.</p>	
Recommendation 5.6			
<p>1. Directors with material interest in a transaction affecting the corporation should abstain from taking part in the deliberations for the same.</p>		<p>Provide proof of abstention, if this was the case.</p>	<p>CERTIFIED TRUE / PHOTO COPY</p>  <p>TRANQUILINO E. ESPEJON IC Supervising Administrative Officer Administrative Division Insurance Commission</p>

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.		Provide proof and details of said meeting, if any. Provide information on the frequency and attendees of meetings.	
2. The meetings are chaired by the 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

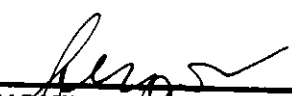
1. The Board conducts an annual assessment of its performance as a whole.		Provide proof of annual assessments conducted for the whole board, the individual members, the Chairman and the Committees.	
2. The performance of the Chairman is assessed annually by the Board.			
3. The performance of the individual member of the Board is assessed annually by the Board.			
4. The performance of each committee is assessed annually by the Board.			
5. Every three years, the assessments are supported by an external facilitator.		Identify the external facilitator and provide proof of use of an external facilitator.	<p style="text-align: right;">CERTIFIED TRUE / PHOTO COPY</p> <p style="text-align: right;"></p> <p style="text-align: right;">TRANQUILINO E. ESPEJON IG Supervising Administrative Officer Administrative Division Insurance Commission</p>

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.		Provide information or link/reference to a document containing information on the system of the company to evaluate the performance of the board, individual directors and committees, including a feedback mechanism from shareholders.	
2. The system allows for a feedback mechanism from the shareholders.			

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.		Provide information on or link/reference to the company's Code of Business Conduct and Ethics.	
2. The Code is properly disseminated to the Board, senior management and employees.		Provide information on or discuss how the company disseminated the Code to its Board, senior management and employees.	
3. The Code is disclosed and made available to the public through the company website.		Provide a link to the company's website where the Code of Business Conduct and Ethics is posted/ disclosed.	<p style="text-align: right;">CERTIFIED TRUE / PHOTO COPY</p> <p style="text-align: right;"> TRANQUILINO E. ESPEJON IC Supervising Administrative Officer Administrative Division Insurance Commission</p>

Recommendation 7.2			
1. Board ensures the proper and efficient implementation and monitoring of compliance with the Code of Business Conduct and Ethics.		Provide proof of implementation and monitoring of compliance with 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.		Indicate who are required to comply with the Code of Business Conduct and Ethics and any findings on non-compliance.	

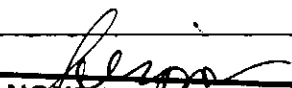
Disclosure and Transparency

Principle 8: The company should establish corporate disclosure policies and procedures that are practical and in accordance with best practices and regulatory expectations.

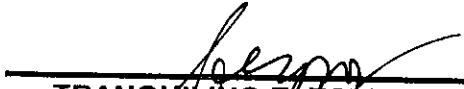
Recommendation 8.1			
1. Board establishes corporate disclosure policies and procedures to ensure a comprehensive, accurate, reliable and timely report to shareholders and other stakeholders that gives a fair and complete picture of a company's financial condition, results and business operations.		Provide information on or link/reference to the company's disclosure policies and procedures including reports distributed/made available to shareholders and other stockholders.	

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.		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.	

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TRANQUILINO E. ESPEJON
 IC Supervising Administrative Officer
 Administrative Division
 Insurance Commission

Date: _____


<p>2. Board fully discloses all relevant and material information on key executives to evaluate their experience and qualifications, and assess any potential conflicts of interest that might affect their judgment.</p>		<p>Provide link or reference to the key officers' academic qualifications, share ownership in the company, membership in other boards, other executive positions, professional experiences, expertise and relevant trainings attended.</p>	
<p>Recommendation 8.4</p>			
<p>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.</p>		<p>Disclose or provide link/reference to the company policy and practice for setting board remuneration.</p>	
<p>2. Company provides a clear disclosure of its policies and procedure for setting Executive remuneration, including the level and mix of the same in the Annual Corporate Governance Report consistent with ASEAN Corporate Governance Scorecard (ACGS) and the Revised Corporation Code.</p>		<p>Disclose or provide link/reference to the company policy and practice for determining executive remuneration.</p>	
<p>3. Company discloses the remuneration on an individual basis, including termination and retirement provisions.</p>		<p>Provide breakdown of director remuneration and executive compensation, particularly the remuneration of the CEO.</p>	
<p>Recommendation 8.5</p>			
<p>1. Company discloses its policies governing Related Party Transactions (RPTs) and other unusual or infrequently occurring transactions.</p>		<p>Disclose or provide reference/link to company's RPT policies</p> <p>Indicate if the director with conflict of interest abstained from the board discussion on that particular transaction.</p>	<p>CERTIFIED TRUE / PHOTO COPY</p> <p> TRANQUILINO E. ESPEJON IC Supervising/Administrative Officer Administrative Division Insurance Commission</p>

<p>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.</p>		<p>Provide information on all RPTs for the previous year or reference to a document containing the following information on all RPTs:</p> <ol style="list-style-type: none"> 1. Name of the related counterparty; 2. Relationship with the party; 3. Transaction date; 4. Type/nature of transaction; 5. Amount or contract price; 6. Terms of the transaction; 7. Rationale for entering into the transaction; 8. The required approval (i.e., names of the board of directors approving, names and percentage of shareholders who approved) based on the company's policy; and 9. Other terms and conditions. 	
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Recommendation 8.7			
<p>1. Company's corporate governance policies, programs and procedures are contained in its Manual on Corporate Governance (MCG).</p>		<p>Provide link to the company's website where the Manual on Corporate Governance is posted.</p>	
<p>2. Company's MCG is posted on its company website.</p>			

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.

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TRANQUILINO E. ESPEJON
 IC Supervising Administrative Officer
 Administrative Division
 Insurance Commission

Date: _____