



May 29, 2024

**Insurance Commission**

1071 United Nations Avenue  
Manila

Attention: **Atty. Reynaldo Averilla Regalado**  
**Insurance Commissioner**

Subject: **Circular Letter No. 2020-71: Submission of the Annual Corporate Governance Report (ACGR)**

Gentlemen:

In compliance with the requirements of the above circular, we hereby submit the Annual Corporate Governance Report (ACGR) of PHINMA Insurance Brokers, Inc. (formerly: T-O Insurance Brokers, Inc.) for the year 2023.

We hope you find the attached document in order.

Thank you very much.

Sincerely yours,

  
**SEL M. LIBUNAO**  
Soliciting Official



**Enrico D. Cleofas**  
Insurance Commission - Admin.  
Records - Receiving

# ANNUAL CORPORATE GOVERNANCE REPORT

## PHINMA INSURANCE BROKERS, INC.

1. For the fiscal year ended – December 31, 2023
2. Certificate Authority Number – IB-14-2022-R-A
3. Province / Country or other jurisdiction of incorporation or organization - Philippines
4. Address of principal office / Postal Code - PHINMA Plaza, 39 Plaza Drive, Rockwell Center, Makati City 1200
5. Company's telephone number, including area code – (632)8-870-0100
6. Company's official website - <https://www.phinmaininsurancebrokers.com/>
7. Former name, former address, and former fiscal year, if changed since last report – T-O Insurance Brokers, Inc.

IC RECOMMENDED CORPORATE GOVERNANCE PRACTICE / POLICY	COMPLIANT / NON-COMPLIANT	ADDITIONAL INFORMATION (REQUIRED)	INFORMATION PROVIDED FOR COMPLIANT ITEMS	EXPLANATION FOR NON-COMPLIANT ITEMS
<b>THE BOARD'S GOVERNANCE RESPONSIBILITIES</b>				
<b>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.</b>				
<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.	<b>Compliant</b>	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. Qualifications standards for directors to facilitate the selection of potential nominees and to serve as benchmark for the evaluation of its performance.	<b>The Board of Directors of PHINMA Insurance Brokers, Inc. is composed of directors with the appropriate skills, knowledge and expertise that are relevant to the business of the Company.</b>  <b>Relevant information on the composition of the board are found in the following documents and references:</b>  <b>1. Academic qualifications, industry knowledge, professional experience, expertise and relevant trainings of directors are found in the company's website</b>  <a href="https://www.phinmaininsurancebrokers.com/">https://www.phinmaininsurancebrokers.com/</a>  <b>2. The qualifications of director nominees for the ensuing year are reviewed by the Board during the nomination process. The Board ensures that all the director nominees possess all the qualifications and none of the disqualifications for election to the board. Qualifications and disqualifications standards for directors are found in the Manual on Corporate Governance.</b>	
2. Board has an appropriate mix of competence and expertise.	<b>Compliant</b>			
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.	<b>Compliant</b>			

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			<a href="https://www.phinmaininsurancebrokers.com/">https://www.phinmaininsurancebrokers.com/</a>	
<b>Recommendation 1.2</b>				
1. Board is composed of a majority of non-executive directors.	<b>Compliant</b>	Identify or provide link/reference to a document identifying the directors and the type of their directorships.	<p><b>The company's board of directors and their type of directorship in the company are found in the company's website.</b></p> <p><a href="https://www.phinmaininsurancebrokers.com/">https://www.phinmaininsurancebrokers.com/</a></p> <p><b>For 2023, the board is composed of five (5) Non-Executive Directors (including two (2) Independent Directors and 1 Executive Director.</b></p>	
<b>Recommendation 1.3</b>				
1. Company provides in its Board Charter or Manual on Corporate Governance a policy on training of directors.	<b>Compliant</b>	Provide a link to the company's Board Charter or Manual on Corporate Governance relating to its policy on training of directors.	<p><b>The policy on training of directors is found in the Manual on Corporate Governance which is uploaded to the company's website.</b></p> <p><a href="https://www.phinmaininsurancebrokers.com/">https://www.phinmaininsurancebrokers.com/</a></p>	
2. Company provides in its Board Charter or Manual on Corporate Governance an orientation program for first time directors.	<b>Compliant</b>	Provide information of a 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.	<p><b>The policy on orientation program for first time directors is in the Manual on Corporate Governance which is uploaded to the company's website.</b></p> <p><a href="https://www.phinmaininsurancebrokers.com/">https://www.phinmaininsurancebrokers.com/</a></p>	
3. Company has relevant annual continuing training for all directors	<b>Compliant</b>		<p><b>The trainings attended by directors in 2023 are indicated in their write-ups found in the website.</b></p> <p><a href="https://www.phinmaininsurancebrokers.com/">https://www.phinmaininsurancebrokers.com/</a></p>	

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<b>Recommendation 1.4</b>				
1. Board has a policy on board diversity.	<b>Compliant</b>	Provide information on or link/reference to a document containing information on the company's board diversity policy.  Indicate gender composition of the board.	<p><b>The company adopts the best practice of its parent company, PHINMA, Inc., on board diversity that is anchored on the key principle of merit.</b></p> <p><b>The company values diversity and supports workforce equality and is strongly against discrimination of any form at all levels thus it ensures that its board members are a combination of executive, non-executive and independent directors with varied but substantial professional knowledge and experience which creates a platform for balanced-view discussion necessary to arrive at key business decisions. Policy statement on board diversity is found in the Manual on Corporate Governance.</b></p> <p><b>As of current date, the board composition per gender is 6 males and 2 females.</b></p>	
<b>Recommendation 1.5</b>				
1. Board is assisted in its duties by a Corporate Secretary	<b>Compliant</b>	Provide information on or link/reference to a document containing information on the Corporate Secretary, including his/her name, qualifications, duties and functions.	<p><b>The Board has elected a Corporate Secretary who is neither the Compliance Officer nor a member of the Board of Directors. The name and qualifications of the company's Corporate Secretary is found the company's website.</b></p> <p><a href="https://www.phinmainurancebrokers.com/">https://www.phinmainurancebrokers.com/</a></p>	
2. Corporate Secretary is a separate individual from the Compliance Officer.	<b>Compliant</b>			
3. Corporate Secretary is not a member of the Board of Directors.	<b>Compliant</b>			

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			The duties and functions of the Corporate Secretary are found in the Manual on Corporate Governance.	
4. Corporate Secretary attends training/s on corporate governance.	<b>Compliant</b>	Provide information on or link/reference to a document containing information on the corporate governance training attended, including number of hours and topics covered.	The Corporate Secretary attended the Corporate Governance Seminar conducted by an accredited training provider by the SEC. SGV & Co. conducted the online training for directors and officers on Overview of Corporate Governance, Data Analytics and Artificial Intelligence (AI) and Workplace Reimagined last October 2, 2023.	
<b>Recommendation 1.6</b>				
1. Board is assisted by a Compliance Officer.	<b>Compliant</b>	Provide information on or link/reference to a document containing information on the Compliance Officer including his/her name, position, qualifications, duties and functions.	The company's Compliance Officer has a rank of Vice President with adequate stature and authority in the company. The Compliance Officer is not a member of the board.	
2. Compliance Officer has a rank of Vice President or an equivalent position with adequate stature and authority in the corporation.	<b>Compliant</b>		The name and qualifications of the company's Compliance Officer are found in the company's website.	
3. Compliance Officer is not a member of the board.	<b>Compliant</b>		<a href="https://www.phinmainurancebrokers.com/">https://www.phinmainurancebrokers.com/</a>  The duties and functions of the Compliance Officer are listed in the Manual on Corporate Governance.	

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4. Compliance Officer attends training/s on corporate governance annually.	<b>Compliant</b>	Provide information on or link/reference to a document containing information on the corporate governance training attended, including number of hours and topics covered.	<b>The Compliance Officer attended the Corporate Governance Seminar conducted by an accredited training provider by the SEC. SGV &amp; Co. conducted the online training for directors and officers on Overview of Corporate Governance, Data Analytics and Artificial Intelligence (AI) and Workplace Reimagined last October 2, 2023.</b>	
<b>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.</b>				
<b>Recommendation 2.1</b>				
1. Directors act on a fully-informed basis, in good faith, with due diligence and care, and in the best interest of the company.	<b>Compliant</b>	Provide information on or link/reference to a document containing information on how the directors performed their duties (can include board resolutions, minutes of meeting).	<b>Resolutions approved by the Board of Directors for the year are mentioned in the minutes of meetings uploaded in the company's website.</b> <a href="https://www.phinmaininsurancebrokers.com/">https://www.phinmaininsurancebrokers.com/</a>	
<b>Recommendation 2.2</b>				
1. Board oversees the development, review and approval of the company's business objectives and strategy.	<b>Compliant</b>	Provide information or link/reference to a document containing information on how the directors performed this function (can include board resolutions, minutes of meeting)	<b>Significant matters approved by the board are mentioned in the minutes of meetings uploaded in the company's website.</b> <a href="https://www.phinmaininsurancebrokers.com/">https://www.phinmaininsurancebrokers.com/</a>	

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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.	<b>Compliant</b>	Indicate frequency of review of business objectives and strategy.	<b>The company's business objectives and strategy for the year are presented in the annual planning sessions. The company presents its quarterly results of operations to the board.</b>	
<b>Recommendation 2.3</b>				
1. Board is headed by a competent and qualified Chairperson.	<b>Compliant</b>	Provide information or link/reference to a document containing information on the Chairperson, including his / her name and qualifications.	<b>The company's Chairperson is Mr. Roberto M. Laviña. His qualifications are found in the company's website.</b> <a href="https://www.phinmaininsurancebrokers.com/">https://www.phinmaininsurancebrokers.com/</a>	
<b>Recommendation 2.4</b>				
1. Board ensures and adopts an effective succession planning program for directors, key officers and management.  2. Board adopts a policy on the retirement for directors and key officers.	<b>Compliant</b>  <b>Compliant</b>	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.	<b>1-2. The company adopts the Succession Planning Policy of its parent company, PHINMA, Inc. Succession planning is linked to the review of the performance of the directors, key officers and management.</b>	
<b>Recommendation 2.5</b>				
1. Board formulates and adopts a policy specifying the relationship between remuneration and	<b>Compliant</b>	Provide information or link/reference to a document containing information on the company's remuneration policy and its implementation	<b>The board oversees the implementation of the remuneration packages of corporate officers and directors and provide oversight over remuneration of senior management and other key personnel ensuring that</b>	



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performance of key officers and board members.		including the relationship between remuneration and performance.	<b>compensation is consistent with the company's culture, strategy and control environment.</b>	
2. Board aligns the remuneration of key officers and board members with long-term interests of the company.	<b>Compliant</b>		<b>The directors receive reasonable per diem approved by the management for each calendar year. There are no other existing arrangements/agreements to which said Directors are to be compensated during the last completed calendar year and the ensuing year.</b>	
3. Directors do not participate in discussions or deliberations involving his/her own remuneration.	<b>Compliant</b>		<b>The company has annual performance appraisal to align corporate goals with the setting and achievement of targets on a per employee basis.</b>	
<b>Recommendation 2.6</b>				
1. Board has a formal and transparent board nomination and election policy.	<b>Compliant</b>	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	<b>1. The board, as part of its functions on nominations and elections, pre-screens and shortlists all candidates nominated to become members of the board of directors in accordance with the qualifications and disqualifications criteria set forth in the Manual on Corporate Governance.</b>	

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2. Board nomination and election policy is disclosed in the company's Manual on Corporate Governance.	<b>Compliant</b>	shareholders.	<b>2, 4. The Board's policy on nominations and election is found in the Manual on Corporate Governance.</b>	
3. Board nomination and election policy includes how the company accepts nominations from minority shareholders.	<b>See explanation</b>	Provide proof if minority shareholders have a right to nominate candidates to the board.		<b>3. This recommendation is not applicable as the company is 100% owned by PHINMA, Inc.</b>
4. Board nomination and election policy includes how the board reviews nominated candidates.	<b>Compliant</b>	Provide information if there was an assessment of the effectiveness of the board 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.	<b>Compliant</b>		<b>5. Review of the policy and processes on nomination, election or replacement of a director is done during the periodic review of the Manual on Corporate Governance where said policies and processes are contained.</b>	
6. Board has a process for identifying the quality of directors that is aligned with the strategic direction of the company.	<b>Compliant</b>		<b>6. The assessment of the directors' / nominees' compatibility to the strategic direction of the company is part of the board's nomination and election process.</b>	
<b>Recommendation 2.7</b>				

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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.	<b>Compliant</b>	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.	<b>The board of directors of the company has approved its own policy on Related Party Transactions (RPT) last April 8, 2022. The policy includes definition of RPTs, monitoring and the materiality threshold.</b>	
2. RPT policy includes appropriate review and approval of material RPTs which guarantee fairness and transparency of the transactions.	<b>Compliant</b>	Identify transactions that were approved pursuant to the policy.	<b>Within the reporting period and effectivity of the company's RPT policy, the company has not been a party to any material RPT.</b>	
3. RPT policy encompasses all entities within the group, taking into account their size, structure, risk profile and complexity of operations.	<b>Compliant</b>		<b>Any transaction between the company and a related party will be brought to the board for approval, upon review by the management.</b>	
<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).	<b>Compliant</b>	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.	<b>Approving the selection of the President and Compliance Officer and Chief Audit Executive is the responsibility of the Board as found in the Manual on Corporate Governance. The company utilizes the parent company's internal audit and risk management functions which are headed by the Chief Audit Executive and Chief Risk Officer, respectively. Recommendations and approval of the management team for the ensuing year is done in the yearly organizational meeting that is convened soon after the shareholders' meeting.</b>	

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			<p>Thereafter, any change to the management team is approved at board meetings.</p> <p>The company's management team as of April 13, 2023 is listed below:</p> <p>Mr. Roberto M. Laviña – Chairman  Ms. Maria Karen H. Pacis - President, Soliciting Official and AMLA Compliance Officer  Ms. Nanette P. Villalobos - Treasurer and IC Compliance Officer  Ms. Eolani S. Osorio - Controller  Atty. Troy A. Luna – Corporate Secretary  Atty. Bryan George M. Manzano – Assistant Corporate Secretary  Ms. Sel M. Libunao - Data Protection Officer, Soliciting Official and Alternate AMLA Compliance Officer</p> <p>The company's Chief Audit Executive is Ms. Ivy V. Villasquez-Bermas and the company's Chief Risk Officer is Mr. Giles R. Katigbak, both under the parent company, PHINMA, Inc.</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><b>Compliant</b></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 processes and indicate frequency of assessment of performance.</p>	<p>The assessment of the company's President and Compliance Officer is the responsibility of the Board. This is found in the Manual on Corporate Governance. The performance of the Chief Risk Officer and Chief Audit Executive are assessed at the parent company level.</p> <p>The company utilizes the Balanced Scorecard</p>	

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			system for the assessment exercise which is conducted on an annual basis.	
<b>Recommendation 2.9</b>				
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.	<b>Compliant</b>	Provide information on or link/reference to a document containing the Board's performance management framework for management and personnel.	<b>1-2. The company conducts an annual performance appraisal to align corporate goals with the setting and achievement of targets on a per employee basis. The PHINMA Human Resources Group manages the Balanced Scorecard system in assessing performance. Thru the scorecard, the employees training and coaching needs are easily identified as well as monitored thereby providing a solid background for numeric ratings by year end. Performance discussions also provide the avenue for immediate managers to communicate and align the performance targets of the employee with the company's goals and objectives for the ensuing year.</b>	
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.	<b>Compliant</b>			
<b>Recommendation 2.10</b>				
1. Board oversees that an appropriate internal control system is in place.	<b>Compliant</b>	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.	<b>1-2. The board's oversight responsibility on the company's internal control system is found in the Manual on Corporate Governance.</b>  <b>For the year-end 2023, the company utilized the PHINMA's Group Internal Audit unit which is an independent and objective assurance consulting team that is guided by</b>	

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2. The internal control system includes a mechanism for monitoring and managing potential conflict of interest of the Management, members and shareholders.	<b>Compliant</b>		<p>a philosophy of adding value to improve the operations of the company. While Internal Audit and Control is the main function of the company's Internal Audit Department, adherence to the same is every employee's accountability.</p> <p>The company adopts the internal control system of the parent company which includes any action taken by management, the board, and other parties to manage risk and increase the likelihood that established objectives and goals will be achieved.</p>	
3. Board approves the Internal Audit Charter.	<b>Compliant</b>	Provide reference or link to the company's Internal Audit Charter.	The board of directors of the company has approved the Internal Audit Charter last April 8, 2022.	
<b>Recommendation 2.11</b>				
1. Board oversees that the company has in place a sound enterprise risk management (ERM) framework to effectively identify, monitor, assess and manage key business risks.	<b>Compliant</b>	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.	1. The board's oversight responsibility on the company's enterprise risk management framework is found in the Manual on Corporate Governance.	

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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.	<b>Compliant</b>	Provide proof of effectiveness of risk management strategies, if any.	<b>2. The company is part of the parent company, PHINMA, Inc.'s risk management framework.</b>	
<b>Recommendation 2.12</b>				
1. Board has a Board Charter that formalizes and clearly states its roles, responsibilities and accountabilities in carrying out its fiduciary role.	<b>Compliant</b>	Provide link to the company's website where the Board Charter is disclosed.	<b>The board of directors has approved its Board Charter last Oct. 23, 2021. A copy of which is uploaded in the company's website.</b>	
2. Board Charter serves as a guide to the directors in the performance of their functions.	<b>Compliant</b>			
3. Board Charter is publicly available and posted on the company's website.	<b>Compliant</b>			
<b>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.</b>				
<b>Recommendation 3.1</b>				
1. Board establishes board committees that focus on specific board functions to aid	<b>Compliant</b>	Provide information or link/reference to a document containing information on all the board committees established by the company.	<b>As of report date, the company has established its Audit, Risk Oversight and RPT Committee and Corporate Governance</b>	

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in the optimal performance of its roles and responsibilities.			<b>Committee to support the board in performing its duties and functions.</b>	
<b>Recommendation 3.2</b>				
1. Board establishes an Audit Committee to enhance its oversight capability over the company's financial reporting, internal control system, internal and external audit processes, and compliance with applicable laws and regulations.	<b>Compliant</b>	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.	<b>As of report date, the board of directors has established an Audit, Risk Oversight and RPT Committee whose duties and responsibilities will also include oversight on related party transactions and risk management and recommending the appointment and removal of the company's external auditor.</b>	
2. Audit Committee is composed of at least three appropriately qualified non-executive directors, the majority of whom, including the Chairman is independent.	<b>Compliant</b>	Provide information or link/reference to a document containing information on the members of the Audit Committee including their qualifications and type of directorship.	<b>The board of directors has established an Audit, Risk Oversight and RPT Committee composed of two (2) Independent Directors, including the Chairman and one (1) Non-Executive Director.</b>	
3. All the members of the committee have relevant background, knowledge, skills, and/or experience in the areas of accounting, auditing and finance.	<b>Compliant</b>	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.	<b>The description of the background, knowledge, skills, and experience of the members of the Audit, Risk Oversight and RPT Committee is found in the website.</b>  <a href="https://www.phinmaininsurancebrokers.com/directors-and-officers/">https://www.phinmaininsurancebrokers.com/directors-and-officers/</a>	
4. The Chairman of the Audit Committee is not the Chairman of the Board or any other committee.	<b>Compliant</b>	Provide information or link/reference to a document containing information on the Chairman of the Audit Committee.	<b>The Chairman of the Audit, Risk Oversight and RPT Committee is Mr. Ernest K. Cuyegkeng, who is not the Chairman of the Board or other committee.</b>	



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<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.	<b>Compliant</b>	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.	<b>The description of the duties and function of the Corporate Governance Committee is found in the Manual on Corporate Governance found in the company's website.</b>  <a href="https://www.phinmaininsurancebrokers.com/">https://www.phinmaininsurancebrokers.com/</a>	
2. Corporate Governance Committee is composed of at least three members, majority of whom should be independent directors.	<b>Compliant</b>	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.	<b>The description of the background, knowledge, skills, and experience of the members of the Corporate Governance Committee is found in the website.</b>  <a href="https://www.phinmaininsurancebrokers.com/directors-and-officers/">https://www.phinmaininsurancebrokers.com/directors-and-officers/</a>	
3. Chairman of the Corporate Governance Committee is an independent director.	<b>Compliant</b>	Provide information or link/reference to a document containing information on the Chairman of the Corporate Governance Committee.	<b>The Chairman of the Corporate Governance Committee is Mr. Gaudencio S. Hernandez, who is not the Chairman of the Board or other committee.</b>	
<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.	<b>Compliant</b>	Provide information or link/reference to a document containing information on the Board Risk Oversight Committee (BROC) and its functions.	<b>As of report date, the board of directors has established an Audit, Risk Oversight and RPT Committee whose duties and responsibilities will also include oversight on related party transactions and risk management and recommending the appointment and removal of the company's external auditor.</b>	

IC RECOMMENDED CORPORATE GOVERNANCE PRACTICE / POLICY	COMPLIANT / NON-COMPLIANT	ADDITIONAL INFORMATION (REQUIRED)	INFORMATION PROVIDED FOR COMPLIANT ITEMS	EXPLANATION FOR NON-COMPLIANT ITEMS
2. BROC is composed of at least three members, the majority of whom should be independent directors, including the Chairman.	<b>Compliant</b>	Provide information or link/reference to a document containing information on the members of the BROC, including their qualifications and type of directorship.	<p><b>The description of the background, knowledge, skills, and experience of the members of the Audit, Risk Oversight and RPT Committee is found in the website.</b></p> <p><a href="https://www.phinmaininsurancebrokers.com/directors-and-officers/">https://www.phinmaininsurancebrokers.com/directors-and-officers/</a></p>	
3. The Chairman of the BROC is not the Chairman of the Board or any other committee.	<b>Compliant</b>	Provide information or link/reference to a document containing information on the Chairman of the BROC.	<p><b>The Chairman of the Audit, Risk Oversight and RPT Committee is Mr. Ernest K. Cuyegkeng, who is not the Chairman of the Board or other committee.</b></p>	
4. At least one member of the BROC has relevant thorough knowledge and experience on risk and risk management.	<b>Compliant</b>	Provide information or link/reference to a document containing information on the background, skills and/or experience of the members of the BROC.	<p><b>The description of the background, knowledge, skills, and experience of the members of the Audit, Risk Oversight and RPT Committee is found in the website.</b></p> <p><a href="https://www.phinmaininsurancebrokers.com/directors-and-officers/">https://www.phinmaininsurancebrokers.com/directors-and-officers/</a></p>	
<b>Recommendation 3.5</b>				
1. Board establishes a Related Party Transactions (RPT) Committee, which is tasked with reviewing all material related party transactions of the company.	<b>Compliant</b>	Provide information or link/reference to a document containing information on the Related Party Transactions (RPT) Committee, including its functions.	<p><b>As of report date, the board of directors has established an Audit, Risk Oversight and RPT Committee whose duties and responsibilities will also include oversight on related party transactions and risk management and recommending the appointment and removal of the company's external auditor.</b></p>	

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2. RPT Committee is composed of at least three non-executive directors, majority of whom should be independent, including the Chairman.	<b>Compliant</b>	Provide information or link/reference to a document containing information on the members of the RPT Committee, including their qualifications and type of directorship.	<p><b>The description of the background, knowledge, skills, and experience of the members of the Audit, Risk Oversight and RPT Committee is found in the website.</b></p> <p><a href="https://www.phinmaininsurancebrokers.com/directors-and-officers/">https://www.phinmaininsurancebrokers.com/directors-and-officers/</a></p>	
<b>Recommendation 3.6</b>				
1. All established committees have a Committee Charter stating in plain terms their respective purposes, memberships, structures, operations, reporting process, resources and other relevant information.	<b>Compliant</b>	Provide information 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.	<b>The Audit, Risk Oversight and RPT Committee and Corporate Governance Committee have their board-approved Charter.</b>	
2. Committee Charters provide standards for evaluating the performance of the Committees.	<b>Compliant</b>			
3. Committee Charters were fully disclosed on the company's website.	<b>Compliant</b>	Provide link to company's website where the Committee Charters are disclosed.	<p><b>The board-approved Audit, Risk Oversight and RPT Committee and Corporate Governance Committee Charters are found in the company's website.</b></p> <p><a href="https://www.phinmaininsurancebrokers">https://www.phinmaininsurancebrokers</a></p>	
<b>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.</b>				
<b>Recommendation 4.1</b>				

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1. The Directors attend and actively participate in all meetings of the Board, Committees and shareholders in person or through tele-videoconferencing conducted in accordance with the rules and regulations of the Commission.	<b>Compliant</b>	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.	<b>The company adopted the guidelines issued by the SEC in 2001 for the conduct of teleconferencing and video conferencing i.e. conferences or meetings through electronic medium or telecommunications where participants are not physically present.</b>  <b>The directors' attendance to the board meetings held in 2023 are found in the company's website.</b>	
2. The directors review meeting materials for all Board and Committee meetings.	<b>Compliant</b>		<b>Meeting materials are sent in advance to the Directors for their review. The Directors regularly raise questions during meetings.</b>	
3. The directors ask the necessary questions or seek clarifications and explanations during the Board and Committee meetings.	<b>Compliant</b>	Provide information or link/reference to a document containing information on any questions raised or clarification/explanation sought by the directors.	<b>Minutes of board meetings document the questions and discussions of the board. Records of the minutes of the meetings of the board are maintained by the Corporate Secretary.</b>	
<b>Recommendation 4.2</b>				
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	<b>Compliant</b>	Disclose if the company has a policy setting the limit of board seats that a non-executive director can hold simultaneously.  Provide information or link/reference to a document containing information on the directorships of the company's directors in both listed and non-listed companies.	<b>To ensure that directors have sufficient time to effectively fulfill their duties, the company observes a low limit on the number of concurrent directorships of non-executive directors in Insurance Commission Regulated Entities (ICREs) and publicly-listed companies in its Manual on Corporate Governance.</b>	

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the long-term strategy of the company.			The list of directorships held by the company's directors are found in the company's website.	
<b>Recommendation 4.3</b>				
1. The directors notify the company's board where he/she is an incumbent director before accepting a directorship in another company.	<b>Compliant</b>	Provide copy of written notification to the board or minutes of board meeting wherein the matter was discussed.	<b>The company adopted this recommendation in its Manual of Corporate Governance.</b>	
<b>Principle 5: The board should endeavor to exercise an objective and independent judgment on all corporate affairs.</b>				
<b>Recommendation 5.1</b>				
1. The Board is composed of at least 20% independent directors.	<b>Compliant</b>	Provide information or link/reference to a document containing information on the number of independent directors in the board.	<b>The company elected its board of directors on April 13, 2023, including two (2) Independent Directors constituting 25% of its 8 board seats.</b>	
<b>Recommendation 5.2</b>				
1. The independent directors possess all the qualifications and none of the disqualifications to hold the position.	<b>Compliant</b>	Provide information or link/reference to a document containing information on the qualifications of independent directors.	<b>The qualifications of the company's elected Independent Directors are found in their respective Certificates of Independent Directors found in the company's website.</b>  <a href="https://www.phinmainurancebrokers.com/">https://www.phinmainurancebrokers.com/</a>	
<b>Recommendation 5.3</b>				
1. The independent directors serve for a cumulative term of nine years.	<b>Compliant</b>	Provide information or link/reference to a document showing the years IDs have served as such.	<b>The period of service that the Independent Directors have served in such capacity is found in their Certificate of Independent Director. Counting from 2018, there are no Independent Directors that have reached</b>	

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<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 (i.e. 2020) shall not be included in the application of the term limit prescribed in this item.</p>			<p><b>the recommended maximum cumulative term of nine years.</b></p>	
<p>2. The company bars an independent director from serving in such capacity after the term limit of nine years.</p>	<p><b>Compliant</b></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><b>The company observes an optimum number of years of term for its independent directors, taking into consideration that it continually gets the benefit of independent views and perspectives. As of report date, there is no independent director that has reached the term limit of nine years.</b></p>	
<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</p>	<p><b>Compliant</b></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>	<p><b>As of reporting date, the company's independent directors have not exceeded the nine-year limit. The company keeps track of the period of service rendered by its Independent Directors counted from reckoning date of 2018. The company will provide meritorious reasons and seek</b></p>	

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'approval during the annual shareholders' meeting.			<b>stockholders' approval when such condition happens.</b>	
<b>Recommendation 5.4</b>				
1. The positions of Chairman of the board and Chief Executive Officer are held by separate individuals.	<b>Compliant</b>	Identify the company's Chairman of the Board and Chief Executive Officer	<b>The Chairman of the Board is Mr. Roberto M. Laviña and the President is Ms. Maria Karen H. Pacis. Note that the position of CEO is not in the company's plantilla and the designation 'President' is consistent with the Company's By-Laws.</b>	
2. The Chairman of the Board and Chief Executive Officer have clearly defined responsibilities.	<b>Compliant</b>	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.	<b>The roles and responsibilities of the Chairman of the Board and the President are listed in the Manual on Corporate Governance.</b>  <b>The Chairman of the Board presides at all meetings of the Board of Directors and stockholders. The Chairman is responsible for leadership in the Board.</b>  <b>The President is responsible for the general supervision of the company's business, properties and affairs and managing it within the authorities delegated by the Board.</b>	
<b>Recommendation 5.5</b>				
1. If the Chairman of the Board is not an independent director or where the roles of the Chairman and CEO are being held by one person, the board should designate a lead	<b>Compliant</b>	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.	<b>The roles of the Chairman and President are performed by different individuals. The Board will consider designating a Lead Independent Director in the future, when the need arises.</b>	

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director among the independent directors.				
<b>Recommendation 5.6</b>				
1. Directors with material interest in transaction affecting the corporation should abstain from taking part in the deliberations for the same.	<b>Compliant</b>	Provide proof of abstention, if this was the case.	<b>As of year-end 2023, there were no transactions brought for the board's approval where any director had material interest in.</b>	
<b>Recommendation 5.7</b>				
1. The non-executive directors (NEDs) have separate periodic meetings with the external auditor and heads of the internal audit, compliance and risk functions without any executive directors present to ensure that proper checks and balances are in place within the corporation.	<b>Compliant</b>	Provide proof and details of said meeting, if any.  Provide information on the frequency and attendees of meetings.	<b>The majority of non-executive directors met on April 12 2023 with the External Auditors, Chief Audit Executive and representative from Compliance to discuss the financial results of the company for the calendar year 2022.</b>	
2. The meetings are chaired by the lead independent director.	<b>Partially-compliant</b>		<b>The roles of the Chairman and President are performed by different individuals hence, a Lead Independent Director is not required to be appointed. The meetings of NEDs are attended by Independent Directors of the company.</b>	



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<b>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.</b>				
<b>Recommendation 6.1</b>				
1. The Board conducts an annual self-assessment of its performance as a whole.	<b>Non-compliant</b>	Provide proof of self-assessments conducted for the whole board, the individual members, the Chairman and the Committees.		<b>1 – 4 The board adopted these recommendations of conducting annual performance assessments in its Manual on Corporate Governance starting 2021. The Board Assessment policy and forms were presented and reviewed by the Corporate Governance Committee in March 2023. Based on the comments of the Committee, the policy and forms will be revised until fit for second review of the Committee and for endorsement to the board.</b>
2. The performance of the Chairman is assessed annually by the Board.	<b>Non-compliant</b>			
3. The performance of the individual member of the Board is assessed annually by the Board.	<b>Non-compliant</b>			
4. The performance of each committee is assessed annually by the Board.	<b>Non-compliant</b>			
5. Every three years, the assessments are supported by an external facilitator.	<b>Non-compliant</b>	Identify the external facilitator and provide proof of use of an external facilitator.		<b>The board will employ the services of an external facilitator as it deems necessary to assist in the performance assessments.</b>
<b>Recommendation 6.2</b>				

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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.	<b>Non-compliant</b>	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.		<b>The board will endeavor to put in place a performance evaluation based on the duties and responsibilities listed in the Manual on Corporate Governance, Charters and relevant company policies.</b>
2. The system allows for a feedback mechanism from the shareholders.	<b>See explanation</b>			<b>The company is 100% owned by its parent company.</b>
<b>Principle 7: Members of the Board are duty-bound to apply high ethical standards, taking into account the interests of all stakeholders.</b>				
<b>Recommendation 7.1</b>				
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.	<b>Compliant</b>	Provide information on or link/reference to the company's Code of Business Conduct and Ethics.	<p><b>The company adopts its parent company's Code of Business Conduct which contains policies on professional decorum, conflict of interest and penalties for violations. Directors, officers and employees are required to always act in the best interest of the company. As a matter of policy, every director, officer and employee of the company should avoid any situation that could interfere or appear to interfere with their independent judgment in performing their duties. The Code of Business Conduct and Ethics is found in the company's website.</b></p> <p><a href="https://www.phinmaininsurancebrokers.com/">https://www.phinmaininsurancebrokers.com/</a></p>	
2. The Code is properly disseminated to the Board,	<b>Compliant</b>	Provide information on or discuss how the company disseminated the	<b>The Manual on Corporate Governance and Code of Conduct and Ethics are available to all directors and employees in the website.</b>	

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senior management and employees.		Code to its Board, senior management and employees.	<a href="https://www.phinmaininsurancebrokers.com/">https://www.phinmaininsurancebrokers.com/</a> The Employee Handbook are provided to employees and officers of the company to serve as their guide. Yearly, the Integrity Assurance team requires the submission of the Integrity Assurance Form by officers and employees.	
3. The Code is disclosed and made available to the public through the company website.	<b>Compliant</b>	Provide a link to the company's website where the Code of Business Conduct and Ethics is posted / disclosed.	The parent company's Code of Business Conduct and Ethics is found in the company's website. <a href="https://www.phinmaininsurancebrokers.com/">https://www.phinmaininsurancebrokers.com/</a>	
<b>Recommendation 7.2</b>				
1. Board ensures the proper and efficient implementation and monitoring of compliance with the Code of Business Conduct and Ethics.	<b>Compliant</b>	Provide proof of implementation and monitoring of compliance with the Code of Business Conduct and Ethics and internal policies.	<b>The implementation and strict compliance of the company's code of ethics is overseen by the parent company's Integrity Assurance and Human Resource Teams.</b>  The Integrity Assurance Team is in charge of confirming that all covered officers and employees required to fill-up and submit the Integrity Assurance Form upon employment and every year thereafter complies with the same. The Human Resources Team deals with guaranteeing that all employees are made aware of the Company's core values, prescribed work attitude as well as penalties and sanctions to be incurred in the event of a violation.	

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2. Board ensures the proper and efficient implementation and monitoring of compliance with company internal policies.	<b>Compliant</b>	Indicate who are required to comply with the Code of Business Conduct and Ethics and any findings on non-compliance.	<b>The Group’s Code of Business Conduct and Ethics applies to all directors, officers and employees of the company including its vendors and suppliers.</b>	
<b>DISCLOSURE AND TRANSPARENCY</b>				
<b>Principle 8: The company should establish corporate disclosure policies and procedures that are practical and in accordance with best practices and regulatory expectations.</b>				
<b>Recommendation 8.1</b>				
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.	<b>Compliant</b>	Provide information on or link/reference to the company's disclosure policies and procedures including reports distributed/made available to shareholders and other stockholders	<p><b>The company keeps a list of its reporting requirements to regulators. The procedures document details the reporting process including the work instructions, identifying the assigned person and deadlines for the reports. The reporting requirements and procedures are uploaded to the company's website.</b></p> <p><a href="https://www.phinmaininsurancebrokers.com/">https://www.phinmaininsurancebrokers.com/</a></p>	
<b>Recommendation 8.3</b>				
1. Board fully discloses all relevant and material information on individual board members to evaluate their experience and qualifications and assess any potential conflict of interest that might affect their judgment.	<b>Compliant</b>	Provide link or reference to the directors' academic qualifications, share ownership in the company, membership in other boards, other executive positions, professional experiences, expertise and relevant trainings attended.	<p><b>Information on directors' academic qualifications, membership in other boards, other executive positions, professional experience and expertise are found in the company’s website.</b></p> <p><a href="https://www.phinmaininsurancebrokers.com/">https://www.phinmaininsurancebrokers.com/</a></p>	

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2. Board fully discloses all relevant and material information on key executives to evaluate their experience and qualifications and assess any potential conflict of interest that might affect their judgment.	<b>Compliant</b>	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.	<b>Information on key officers' academic qualifications, membership in other boards, other executive positions, professional experiences and expertise are found in the company's website.</b>  <a href="https://www.phinmaininsurancebrokers.com/">https://www.phinmaininsurancebrokers.com/</a>	
<b>Recommendation 8.4</b>				
1. Company provides a clear disclosure of its policies and procedures 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.	<b>Compliant</b>	Disclose or provide link reference to the company policy and practice for setting board remuneration.	<b>The directors receive reasonable per diem approved by the management for each calendar year. There are no other existing arrangements/agreements to which said Directors are to be compensated during the last completed calendar year and the ensuing year.</b>	
2. Company provides a clear disclosure of its policies and procedures 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.	<b>Compliant</b>	Disclose or provide link reference to the company policy and practice for determining executive remuneration.	<b>The company's practice for setting executive remuneration is aligned with PHINMA, Inc.'s policy.</b>	

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3. Company discloses the remuneration on an individual basis, including termination and retirement provisions.	<b>Non-Compliant</b>	Provide breakdown of director remuneration and executive compensation, particularly the remuneration of the CEO.		<b>The company discloses the remuneration of directors and principal officers on an aggregate basis, where remuneration refers to the per diem allowance of directors. The company discloses compensation paid to its directors and management officers in its General Information Sheet and Notes to Financial Statements. We believe that this submission complies with the spirit of the recommendation without risk to the directors and officers.</b>
<b>Recommendation 8.5</b>				
1. Company discloses its policies governing Related Party Transactions (RPTs) and other unusual or infrequently occurring transactions.	<b>Compliant</b>	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.	<b>The board has approved the Related Party Transactions policy last Apr. 8, 2023 and found in the company's website.</b>  <a href="https://www.phinmainurancebrokers.com/">https://www.phinmainurancebrokers.com/</a>	

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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.	<b>Compliant</b>	<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"> <li>1. Name of the related counterparty;</li> <li>2. Relationship with the party;</li> <li>3. Transaction date;</li> <li>4. Type/nature of transaction;</li> <li>5. Amount or contract price;</li> <li>6. Terms of the transaction;</li> <li>7. Rationale for entering into the transaction;</li> <li>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</li> <li>9. Other terms and conditions</li> </ol>	<b>The company adopted this recommendation to disclose significant related party transactions entered into by the company in its ACGR. In 2023, there were no material RPTs transacted.</b>	
<b>Recommendation 8.7</b>				
1. Company's corporate governance policies, programs and procedures are contained in its Manual on Corporate Governance (MCG).	<b>Compliant</b>	Provide link to the company's website where the Manual on Corporate Governance is posted.	<b>1 – 2. The company's corporate governance policies, programs and procedures are contained in its Manual on Corporate Governance in the website.</b>	
2. Company's MCG is posted on its company website.			<a href="https://www.phinmaininsurancebrokers.com/">https://www.phinmaininsurancebrokers.com/</a>	
<b>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.</b>				
<b>Recommendation 9.1</b>				

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1. Audit Committee has a robust process for approving and recommending the appointment, reappointment, removal and fees of the external auditors.	<b>Compliant</b>	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 external auditors.	<b>1 – 2. The Audit, Risk Oversight and RPT Committee has reviewed the annual assessment of external auditor prepared by management which becomes the basis for the recommendation for re-appointment of the external auditor for the succeeding year.</b>	
2. The appointment, re-appointment, removal and fees of the external auditor is recommended by the Audit Committee, approved by the Board and ratified by the shareholders.	<b>Compliant</b>	Indicate the percentage of shareholders that ratified the appointment, reappointment, removal and fees of the external auditors.		
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.	<b>Compliant</b>	Provide information or link/reference to a document containing the company's reason for removal or change of external auditor.	<b>There has been no cause for the removal of the external auditor for the past 5 years.</b>	
<b>Recommendation 9.2</b>				
1. Audit Committee Charter 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;	<b>Compliant</b>	Provide link/reference to the company's Audit Committee Charter	<b>The company's board-approved Audit, Risk and RPT Charter is found in the website.</b>  <a href="https://www.phinmaininsurancebrokers.com/">https://www.phinmaininsurancebrokers.com/</a>	



IC RECOMMENDED CORPORATE GOVERNANCE PRACTICE / POLICY	COMPLIANT / NON-COMPLIANT	ADDITIONAL INFORMATION (REQUIRED)	INFORMATION PROVIDED FOR COMPLIANT ITEMS	EXPLANATION FOR NON-COMPLIANT ITEMS
and iii. exercising effective oversight to review and monitor the effectiveness of the audit process, taking into consideration relevant 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.	<b>Compliant</b>	Provide link/reference to the company's Audit Committee Charter	<b>The company's board-approved Audit, Risk and RPT Charter is found in the website.</b>  <a href="https://www.phinmaininsurancebrokers.com/">https://www.phinmaininsurancebrokers.com/</a>	
<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.	<b>Compliant</b>	Disclose the nature of non-audit services performed by the external auditor, if any.	<b>The company's external auditor did not perform non-audit services.</b>	
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.	<b>Compliant</b>	Provide link or reference to guidelines or policies on non-audit services	<b>This responsibility on ensuring the external auditor's objectivity is performed by the board as a whole.</b>	
<b>Principle 10: The company should ensure that the material and reportable non-financial and sustainability issues are disclosed.</b>				

IC RECOMMENDED CORPORATE GOVERNANCE PRACTICE / POLICY	COMPLIANT / NON-COMPLIANT	ADDITIONAL INFORMATION (REQUIRED)	INFORMATION PROVIDED FOR COMPLIANT ITEMS	EXPLANATION FOR NON-COMPLIANT ITEMS
<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.	<b>Non-compliant</b>	Disclose or provide link on the company's policies and practices on the disclosure of non-financial information, including EESG issues.		<p><b>1-2. Promoting social responsibility initiatives, with specific focus on community development, social progress, and environmental management, in accordance with all pertinent Philippine laws, rules and regulations is one of the duties and responsibilities of the board.</b></p> <p>While the company is yet to adopt a global framework on sustainability, the company allocates a budget for sustainability efforts of the parent company. For 2023, PIBI donated Php169,462 or 0.5% of NIBT for the year.</p> <p>The company has participated in projects of the PHINMA Foundation that aims to have a positive social, environmental and economic impact such as:</p> <p>List of Activities / Practices:</p> <p><b>Big Brother Big Sister Program 2021-2023:</b> The mentorship program of the PHINMA National Scholarship where PNS Alumni and PHINMA Employees volunteer to coach and guide a scholar throughout their stay in the PNS program.</p> <p><b>Brigada Eskwela 2023 – July to August 2023:</b> A nationwide event that provides</p>
2. Company adopts a globally-recognized standard/framework in reporting sustainability and non-financial issues.	<b>Non-Compliant</b>	Provide link to Sustainability Report, if any. Disclose the standards used.		

IC RECOMMENDED CORPORATE GOVERNANCE PRACTICE / POLICY	COMPLIANT / NON-COMPLIANT	ADDITIONAL INFORMATION (REQUIRED)	INFORMATION PROVIDED FOR COMPLIANT ITEMS	EXPLANATION FOR NON-COMPLIANT ITEMS
				employees with the opportunity to help a specific school community in need.
<b>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.</b>				
<b>Recommendation 11.1</b>				
1. The company should have a website to ensure a comprehensive, cost efficient, transparent, and timely manner of disseminating relevant information to the public.	<b>Compliant</b>	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.	<b>The company uses its company website to disseminate relevant information to the public.</b>  <a href="https://www.phinmaininsurancebrokers.com/">https://www.phinmaininsurancebrokers.com/</a>	
<b>Internal Control System and Risk Management Framework</b>				
<b>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.</b>				
<b>Recommendation 12.1</b>				
1. Company has an adequate and effective internal control system in the conduct of its business.	<b>Compliant</b>	List quality service programs for the internal audit functions.  Indicate frequency of review of the internal control system.	<b>As of year-end 2023, the company adopts its parent company's Internal Audit framework. Internal Audit team reviews and updates the audit plan during their mid-year planning based on the results of completed engagements and recent developments or issues encountered.</b>	

IC RECOMMENDED CORPORATE GOVERNANCE PRACTICE / POLICY	COMPLIANT / NON-COMPLIANT	ADDITIONAL INFORMATION (REQUIRED)	INFORMATION PROVIDED FOR COMPLIANT ITEMS	EXPLANATION FOR NON-COMPLIANT ITEMS
2. Company has an adequate and effective enterprise risk management framework in the conduct of its business.	<b>Compliant</b>	<p>Identify international framework used for Enterprise Risk Management</p> <p>Provide information or reference to a document containing information on:</p> <ol style="list-style-type: none"> <li>1. Company's risk management procedures and processes</li> <li>2. Key risks the company is currently facing</li> <li>3. How the company manages the key risks</li> </ol> <p>Indicate frequency of review of the enterprise risk management framework.</p>	<p><b>The company adopts its parent company's risk management framework. The company recognizes risk management as an integral component of good corporate governance and fundamental in achieving its strategic and operational objectives. It improves decision-making, defines opportunities and mitigates material events that may impact shareholder value.</b></p> <p><b>All member companies of the PHINMA Group undergo a risk assessment exercise on an annual basis in coordination with the Business Resiliency program.</b></p>	
<b>Recommendation 12.2</b>				
1. Company has in place an independent internal audit function that provides an independent and objective assurance and consulting services designed to add value and improve the company's operations.	<b>Compliant</b>	Disclose if the internal audit is in-house or outsourced. If outsourced, identify external firm.	<p><b>As of year-end 2023, the company utilizes the parent company's in-house Group Internal Audit which performs independent and objective assurance and consulting activity that is guided by a philosophy of adding value to improve the operations of the company. It assists the company in accomplishing its objectives by bringing a systematic and disciplined approach to evaluate and improve the effectiveness of the organization's risk management, control, and governance processes.</b></p>	
<b>Recommendation 12.3</b>				

IC RECOMMENDED CORPORATE GOVERNANCE PRACTICE / POLICY	COMPLIANT / NON-COMPLIANT	ADDITIONAL INFORMATION (REQUIRED)	INFORMATION PROVIDED FOR COMPLIANT ITEMS	EXPLANATION FOR NON-COMPLIANT ITEMS
1. Company has a qualified Chief Audit Executive (CAE) appointed by the Board.	<b>Compliant</b>	Identify the company's Chief Audit Executive (CAE) and provide information on or reference to a document containing his/her responsibilities.	<b>As of report date, the company's Chief Audit Executive is Ms. Ivy V. Villasquez. The duties and responsibilities of the Chief Audit Executive are contained in the Manual on Corporate Governance.</b>	
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.	<b>Compliant</b>		<b>The Chief Audit Executive oversees the internal audit activity of the company. The company has not outsourced any portion of the Internal Audit function.</b>	
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.	<b>Compliant</b>	Identify qualified independent executive or management personnel, if applicable.	<b>As of year-end 2023, the Company continued to engaged the services of Reyes Tacandong and Co. (RT&amp;Co.) to render a full scope audit covering operational, process, compliance and internal controls. While the procedures were conducted by RT&amp;Co., the monitoring and implementation of the management actions remains with the CAE.</b>	
<b>Recommendation 12.4</b>				
1. Company has a separate risk management function to identify, assess and monitor key risk exposures.	<b>Compliant</b>	Provide information on company's risk management function.	<b>A Business Resiliency Program is currently in place for the entire PHINMA Group. This program supersedes the previous Business Continuity Management program and expands its coverage further by going beyond the traditional confines of BCM and integrates Risk Management concepts with the disciplines of Disaster Response</b>	

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			Planning, Crisis Management and Communications and Business Continuity Planning.	
<b>Recommendation 12.5</b>				
1. In managing the company's Risk Management System, the company has a Chief Risk Officer (CRO), who is the ultimate champion of Enterprise Risk Management (ERM).	<b>Compliant</b>	Identify the company's Chief Risk Officer (CRO) and provide information on or reference to a document containing his/her responsibilities and qualifications/background.	<b>The company utilizes the parent company's Chief Risk Officer who is Mr. Giles R. Katigbak. The duties and responsibilities of the Chief Risk Officer are contained in the parent company's Risk Oversight Committee Charter.</b>	
2. CRO has adequate authority, stature, resources and support to fulfill his / her responsibilities	<b>Compliant</b>			
<b>Cultivating a Synergic Relationship with Shareholders</b>				
<b>Principle 13: The company should treat all shareholders fairly and equitably, and also recognize, protect and facilitate the exercise of their rights.</b>				
<b>Recommendation 13.1</b>				
1. Board ensures that basic shareholder rights are disclosed in the Manual on Corporate Governance.	<b>See explanation</b>	Provide link or reference to the company's Manual on Corporate Governance where shareholders rights are disclosed.		<b>The company is 100% owned by PHINMA, Inc.</b>
2. Board ensures that basic shareholder rights are disclosed on the company's website.	<b>See explanation</b>	Provide link to company's website		<b>The company is 100% owned by PHINMA, Inc.</b>
<b>Recommendation 13.2</b>				

IC RECOMMENDED CORPORATE GOVERNANCE PRACTICE / POLICY	COMPLIANT / NON-COMPLIANT	ADDITIONAL INFORMATION (REQUIRED)	INFORMATION PROVIDED FOR COMPLIANT ITEMS	EXPLANATION FOR NON-COMPLIANT ITEMS
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.	<b>See explanation</b>	<p>Indicate the number of days before the annual stockholders meeting or special stockholders' meeting when the notice and agenda were sent out.</p> <p>Indicate whether shareholders' approval of remuneration or any changes therein were included in the agenda of the meeting.</p> <p>Provide link to the agenda included in the company's Information Statement (SEC Form 20-IS)</p>		<b>The company is 100% owned by PHINMA, Inc.</b>
<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.	<b>See explanation</b>	Provide information or reference to a document containing information on all relevant questions raised and answers during the ASM and special meeting and the results of the vote taken during the most recent ASM / SSM.		<b>The company is 100% owned by PHINMA, Inc.</b>

IC RECOMMENDED CORPORATE GOVERNANCE PRACTICE / POLICY	COMPLIANT / NON-COMPLIANT	ADDITIONAL INFORMATION (REQUIRED)	INFORMATION PROVIDED FOR COMPLIANT ITEMS	EXPLANATION FOR NON-COMPLIANT ITEMS
2. Minutes of the Annual and Special Shareholders' Meetings were available on the company's website within five business days from the end of the meeting.	<b>See explanation</b>	<p>Provide link to minutes of meeting in company's website.</p> <p>Indicate voting results for all agenda items, including the approving, dissenting and abstaining votes.</p> <p>Indicate also if the voting on resolutions was by poll.</p> <p>Include whether there was opportunity to ask question and the answers given, if any.</p>		<b>The company is 100% owned by PHINMA, Inc.</b>
<b>Recommendation 13.4</b>				
1. Board has an alternative dispute mechanism to resolve intra-corporate disputes in an amicable and effective manner.	<b>See explanation</b>	Provide details of the alternative dispute resolution made available to resolve intra-corporate disputes.		<b>1-2. In the absence of a formal dispute mechanism, there has been neither dispute nor conflict between the corporation and its stockholder, third parties including regulatory authorities during the reporting year. In the event that one arises, the company is committed to resolve the same by exhausting all diplomatic means available prior to resorting to legal measures.</b>
2. The alternative dispute mechanism is included in the company's Manual on Corporate Governance.	<b>See explanation</b>	Provide link/reference to where it is found in the Manual on Corporate Governance.		
<b>Duties to Stakeholders</b>				
<b>Principle 14: The rights of stakeholders established by law, by contractual relations and through voluntary commitments must be respected where stakeholders' rights and/or interests are at stake, stakeholders should have the opportunity to obtain prompt effective redress for the violation of their rights.</b>				
<b>Recommendation 14.1</b>				
1. Board identifies the company's various stakeholders and promotes	<b>Compliant</b>	Identify the company's stakeholders and provide information or reference to a document containing information	<b>Majority of the company's operations serves its parent company's and its other subsidiaries' insurance needs. The company</b>	



IC RECOMMENDED CORPORATE GOVERNANCE PRACTICE / POLICY	COMPLIANT / NON-COMPLIANT	ADDITIONAL INFORMATION (REQUIRED)	INFORMATION PROVIDED FOR COMPLIANT ITEMS	EXPLANATION FOR NON-COMPLIANT ITEMS
cooperation between them and the company in creating wealth, growth and sustainability.		on the company's policies and programs for its stakeholders.	<b>is committed to act judiciously when soliciting, negotiating or procuring insurance services on behalf of customers.</b>	
<b>Recommendation 14.2</b>				
1. Board establishes clear policies and programs to provide a mechanism on the fair treatment and protection of stakeholders.	<b>Compliant</b>	Identify policies and programs for the protection and fair treatment of company's stakeholders.	<b>The company adopts its parent company's Code of Conduct, policies on whistle-blowing, conflict of interest and the integrity assurance program.</b>	
<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.	<b>Compliant</b>	Provide the contact details (i.e. name of the 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 whistleblowing policy, practices and procedures for stakeholders.	<b>The company's Integrity Hotline details are:</b>  <b>Mobile: 0917174462</b>  <b>Email: phi@phinmaintegrity.com.ph</b>	
<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.</b>				
<b>Recommendation 15.1</b>				
1. Board establishes policies, programs and procedures that encourage employees to actively participate in the	<b>Compliant</b>	Provide information or link/reference to company's policies, programs and procedures that encourage employee participation.	<b>Thru the standard performance scorecard, the employees training and coaching needs are clearly identified as well as monitored thereby providing a solid background for</b>	

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realization of the company's goals and in its governance.			<p>numeric ratings by year end. The self-development component of the performance assessment ensures employee engagement by self-identification of programs and trainings that will assist the employee in the achievement of their goals for the year.</p> <p>Through the various Corporate Social Responsibility programs, the company seeks to create awareness and instill the value of service to others by providing opportunities for employees to join programs benefiting the community, the environment and its adopted beneficiaries.</p>	
<b>Recommendation 15.2</b>				
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.	<b>Compliant</b>	Identify or provide link/reference to the company's policies, programs and practices on anti-corruption.	<p>The company's anti-bribery and corruption policies are contained in its Gifts and Gratuities Policy and Whistleblowing and Anti-Retaliation policies are found in the website.</p> <p><a href="https://www.phinmainurancebrokers.com/">https://www.phinmainurancebrokers.com/</a></p>	
2. Board disseminates the policy and program to employees across the organization through trainings to embed them in the company's culture.	<b>Compliant</b>	Identify how the board disseminated the policy and program to employees across the organization.	<p>The implementation and strict compliance of the company's code of ethics is overseen by the Integrity Assurance and Human Resource Teams.</p> <p>PHINMA Integrity Initiative Programs:</p> <p>Values Summit - The Values Summit brings together various key stakeholders to highlight the Group's progress on its Integrity Assurance Program and renew its commitment to the PHINMA Core Values of</p>	

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			<p><b>Integrity, Patriotism, Competence, and Professionalism.</b></p> <p><b>Integrity Roadshow - Integrity Program that creates awareness across the PHINMA Group by highlighting the PHINMA Core Values, and the PHINMA Code of Business Conduct.</b></p> <p><b>Values Integration - Through Values in Practice Talks, the Integrity Assurance Program aims to bring closer the management to the Group’s employees by inviting PHINMA Leaders and guest speakers to speak once every quarter to share their wisdom, and discuss their experiences as they live through PHINMA’s Core Values of Integrity, Patriotism, Competence, and Professionalism.</b></p> <p><b>Vendor Integrity Program - The Vendor Orientation aims at raising compliance standards and create awareness among all vendors about the Integrity Assurance Program and the Code of Business Conduct. It sets out to guide employees and vendors in creating an ethical and sustainable business partnership with the organization. Integrity Hotline. The Integrity Hotline is used to provide a venue where all employees can raise genuine concerns about work-related matters confidently and without fear of retaliation.</b></p> <p><b>The Human Resources Team deals with guaranteeing that all employees are made aware of the Company’s core values,</b></p>	

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			prescribed work attitude as well as penalties and sanctions to be incurred in the event of a violation.	
<b>Recommendation 15.3</b>				
1. Board establishes a suitable framework for whistleblowing that allows employees to freely communicate their concerns about illegal or unethical practices, without fear of retaliation.	<b>Compliant</b>	<p>Disclose or provide link/reference to the company whistle-blowing policy and procedure for employees.</p> <p>Indicate if the framework includes procedures to protect the employees from retaliation.</p>	<p><b>Through its Whistleblowing and Non-Retaliation Policy under the Integrity Assurance Program, the company provides a mechanism for reporting perceived and actual irregularities that are contrary to PHINMA’s Core Values while providing appropriate protection for whistle-blowers from possible retaliation.</b></p>	
2. Board establishes a suitable framework for whistleblowing that allows employees to have direct access to an independent member of the Board or a unit created to handle whistleblowing concerns.	<b>Compliant</b>	Provide contact details to report any illegal or unethical behaviour.	<p><b>An Integrity Hotline has been launched, an independent, dedicated email facility provided by the Company for receiving Whistleblower reports. All reports submitted through this facility shall be received by the Integrity Officer and the PHINMA Group Internal Audit Head.</b></p> <p><b>All reports shall be investigated according to the PHINMA Response Plan. In the event that a whistleblowing report was made in bad faith, appropriate disciplinary or legal action shall be meted pursuant to the</b></p>	

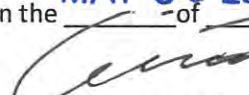
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			policies and procedures of PHINMA, and any applicable laws or regulations.	
3. Board supervises and ensures the enforcement of the whistleblowing framework.	<b>Compliant</b>	Provide information on how the board supervised and ensured enforcement of the whistleblowing framework, including any incident of whistleblowing.	<b>As needed, the Integrity Officer reports to the board any reports received from the facility.</b>	
<b>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.</b>				
<b>Recommendation 16.1</b>				
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.	<b>Compliant</b>	Provide information or reference to a document containing information on the company's community involvement and environment related programs.	<p><b>As a group of companies, PHINMA is strongly committed to improving the quality of life in areas where we operate. PHINMA believes that in creating inclusive growth in our partner communities, we can support sustainable development relevant to their culture and realities.</b></p> <p><b>The company allocates a budget for corporate social responsibility program of the parent company. For 2023, PIBI donated Php169,462 or 0.5% of NIBT for the year. The company participates in corporate social responsibility activities such as:</b></p>	

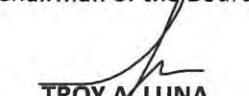
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			<p><b>List of Activities / Practices:</b></p> <p><b>Big Brother Big Sister Program 2021-2023:</b> The mentorship program of the PHINMA National Scholarship where PNS Alumni and PHINMA Employees volunteer to coach and guide a scholar throughout their stay in the PNS program.</p> <p><b>Brigada Eskwela 2023 – July to August 2023:</b> A nationwide event that provides employees with the opportunity to help a specific school community in need.</p>	

**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 CITY on the MAY 30 2024 of \_\_\_\_\_, 2024.

  
**ROBERTO M. LAVIÑA**  
 Chairman of the Board

  
**TROY A. LUNA**  
 CORPORATE SECRETARY

  
**ERNEST K. CUYEGKENG**  
 INDEPENDENT DIRECTOR

  
**MARIA KAREN H. PACIS**  
 PRESIDENT

  
**NANETTE P. VILLALOBOS**  
 COMPLIANCE OFFICER

  
**GAUDENCIO S. HERNANDEZ, JR.**  
 INDEPENDENT DIRECTOR

SUBSCRIBED AND SWORN to before me this MAY 30 2024 day of \_\_\_\_\_, 20\_\_, by the following who are all personally known to me (or whom I have identified through competent evidence of identity) and who exhibited to me their respective identification document as follows:

Name	I.D. No.	Expiry
ROBERTO M. LAVIÑA	P7713765A	JUNE 28, 2028
MARIA KAREN H. PACIS	P3661121B	OCT. 27, 2029
NANETTE P. VILLALOBOS	P4047596B	DEC. 3, 2029
TROY A. LUNA	P8660514B	JAN. 6, 2032
ERNEST K. CUYEGKENG	P7236847A	MAY 18, 2028
GAUDENCIO S. HERNANDEZ, JR.	N-18-69-021268	DEC. 2, 2032

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 Book No. : 221  
 Series of 2024

NOTARY PUBLIC

  
**ATTY. CESAR T. VERANO**

NOTARY PUBLIC MAKATI CITY  
 APPOINTMENT NO M-029  
 VALID UNTIL DECEMBER 31, 2024  
 ISSUED ON: DECEMBER 14, 2022  
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 IBP NO 396485 ROLL NO.: 29024  
 MCLE COMPLIANCE NO VII-0023845  
 VALID UNTIL APRIL 14, 2025  
 OFFICE ADDRESS #2733 G/F CARREON BLDG.  
 ZENAIDA ST , BRGY POBLACION MAKATI CITY