

B. Equitable Treatment of Shareholders			
B.1 Shares and voting rights			
	Question	Answer	Remarks
B.1.1	Do the company's ordinary or common shares have one vote for one share?	Y	Default
B.1.2	Where the company has more than one class of shares, does the company publicise the voting rights attached to each class of shares (e.g. through the company website / reports/ the stock exchange/ the regulator's website)?	N/A	RSIC is a wholly-owned subsidiary of Meralco.
B.2 Notice of AGM			
B.2.1	Does each resolution in the most recent AGM deal with only one item, i.e., there is no bundling of several items into the same resolution?	Y	<p>Source: Minutes of Meeting of the Stockholders 2013, Page 2 The Chairman stated that copies of the audited financial statements for the period ended December 31, 2012 were distributed to the stockholders prior to this meeting. He then asked if there were any questions on the financial statements of the Company and there being none, upon motion made and seconded, the stockholders approved and adopted the following resolution:</p> <p>RESOLVED, that the Board of Directors of Republic Surety and Insurance Company, Inc. (the "Corporation") hereby approves, confirms and authorizes the issuance of the Corporation's audited financial statements for the period ended December 31, 2012.</p> <p>Minutes of Meeting of the Stockholders 2013, Page 2 RATIFICATION OF THE ACTS OF THE BOARD OF DIRECTORS AND MANAGEMENT The next item of business was the ratification of the acts of the Board of Directors and Management during the preceding year. The Chairman said that the actions include those affecting the operations, financial performance and strategic posture of the corporation. Whereupon, on motion made and duly seconded, the stockholders approved and adopted the following resolutions: RESOLVED, that all actions of the Board of Directors and the Management during the calendar year ending December 31, 2012, up to the date of this meeting be, as they are hereby confirmed, ratified and approved. http://republic-insurance.ph/wp-content/uploads/2013/04/2013-Stockholder-Meeting-Minutes.pdf</p>
B.2.2	Are the company's notice of the most recent AGM/circulars fully translated into English and published on the same date as the local-language version?	N	
Does the notice of AGM/circulars have the following details:			

B.2.3	Are the profiles of directors/commissioners (at least age, qualification, date of first appointment, experience, and directorships in other listed companies) in seeking election/re-election included?	Y	<p>Source: Annual Report, Board of Directors, Page 31 MONICO V. JACOB, 67 Chairman/ Independent Director (since January 2007)</p> <p>Atty. Monico V. Jacob holds a bachelor of laws from the Ateneo de Manila University and Bachelors of Arts from the Ateneo de Naga. He is at present the President and CEO of STI Education Services Group; Chairman of CEO's Inc., a business and management consulting firm; Chairman of Grow Inc., a professional placement company; and Vice-Chairman of CBV Asset Management Corp. He is also a partner in the law firm of Jacob and Jacob. His areas of specialty are in energy, corporate law and corporate recovery and rehabilitation work. He is also a member of the Board of Directors of the Philsteel Corp, Steel Corp and MIESCOR, a Meralco subsidiary.</p> <p>http://republic-insurance.ph/wp-content/uploads/2013/04/RSIC-2012-Annual-Report.pdf</p>
B.2.4	Are the auditors seeking appointment/re-appointment clearly identified?	Y	<p>Source: Minutes of Meeting of the Stockholders 2013, Page 3 APPOINTMENT OF EXTERNAL AUDITORS</p> <p>The next item of business was the appointment of the external auditors of the corporation. Whereupon, on motion duly made and seconded, it was unanimously –</p> <p>RESOLVED, that the accounting firm of KPMG Manabat Sanagustin & Company, Certified Public Accountants, is hereby retained as the corporation's External Auditors.</p> <p>http://republic-insurance.ph/wp-content/uploads/2013/04/2013-Stockholder-Meeting-Minutes.pdf</p>
B.2.5	Has an explanation of the dividend policy been provided?	Y	<p>Source: Minutes of Meeting of the Stockholders 2011, Page 2 DECLARATION OF STOCK DIVIDEND</p> <p>The President reported the stock dividend declaration by Board of Directors in compliance with the minimum capitalization requirement of the Department of Finance Order No. 27-2006 of One Hundred Seventy Five Million Pesos (Php 175,000,000.00) by the end of 2011 for ratification by the stockholders. Upon motion duly made and seconded, the stockholders approved the following resolutions:</p> <p>RESOLVED, as it is hereby resolved, that the stockholders of Republic Surety and Insurance Company, Incorporated (the "Company") authorize, as it hereby authorizes, the Company to declare stock dividends consisting of Five Hundred Thousand (500,000) shares at One Hundred Pesos (Php 100.00) per share, payable out of the unrestricted retained earnings of the company as of November 30, 2011, and payable to all stockholders of record as of such date.</p> <p>http://republic-insurance.ph/wp-content/uploads/2013/04/2011-Stockholders-Meeting-Minutes.pdf</p>

B.2.6	Is the amount payable for final dividends disclosed?	Y	<p>Source:</p> <p>Minutes of Meeting of the Stockholders 2011, Page 2 DECLARATION OF STOCK DIVIDEND</p> <p>The President reported the stock dividend declaration by Board of Directors in compliance with the minimum capitalization requirement of the Department of Finance Order No. 27-2006 of One Hundred Seventy Five Million Pesos (Php 175,000,000.00) by the end of 2011 for ratification by the stockholders. Upon motion duly made and seconded, the stockholders approved the following resolutions:</p> <p>RESOLVED, as it is hereby resolved, that the stockholders of Republic Surety and Insurance Company, Incorporated (the "Company") authorize, as it hereby authorizes, the Company to declare stock dividends consisting of Five Hundred Thousand (500,000) shares at One Hundred Pesos (Php 100.00) per share, payable out of the unrestricted retained earnings of the company as of November 30, 2011, and payable to all stockholders of record as of such date. http://republic-insurance.ph/wp-content/uploads/2013/04/2011-Stockholders-Meeting-Minutes.pdf</p>
B.2.7	Documents required to be proxy/ Were the proxy documents made easily available?	N	
B.3	Insider trading and abusive self-dealing should be prohibited.		
B.3.1	Does the company have policies and/or rules prohibiting directors/commissioners and employees to benefit from knowledge which is not generally available to the market?	Y	Default
B.3.2	Are the directors and commissioners required to report their dealings in company shares within <u>3 business days</u> ?		
B.4	Related party transactions by directors and key executives.		
B.4.1	Are directors and commissioners required to disclose their interest in transactions and any other conflicts of interest?	Y	<p>Source:</p> <p>Corporate Governance Manual, Page 18-19</p> <p>Each Director has an obligation to declare any material conflict of interest as soon as he or she becomes aware of it, and to withdraw from the discussion and decision of any matter on which he or she has a material conflict, unless the Directors who do not have a conflict have resolved that the Director should stay. Directors agree to notify the Chairman of any actual or potential conflict as soon as they are aware of it (if possible before the beginning of the meeting at which the issue is likely to be raised) and to withdraw from any discussions relating to it, unless invited to remain. The guidance of the Chairman will normally be accepted on such matters. http://republic-insurance.ph/wp-content/uploads/2013/04/RSIC-Corporate-Governance-Manual.pdf</p>
			Source:

B.4.2	Does the company have a policy requiring a committee of independent directors / commissioners to review material / significant RPTs to determine whether they are in the best interests of the company?	Y	<p>Corporate Governance Manual</p> <p>6.2. The Board's internal control mechanisms for the Board's oversight responsibility may include: (Page 10)</p> <p>f. Review of the Company's personnel and human resource policies and sufficiency, conflict of interest situations, changes in the compensation plan for employees and succession plan for officers and management.</p> <p>7.0 Related Party Transactions (Page 29-30)</p> <p>a. Overlapping interests in the insurance entity shall be disclosed to the Board and any material transaction involving such interests shall be similarly disclosed.</p> <p>b. Related party transaction shall be conducted in terms that are at least comparable to normal commercial practices to safeguard the best interest of the insurance corporation, its policyholders, creditors and claimants. In all cases, the provision of Title 20 , Chapter III of the Insurance Code shall be complied with.</p> <p>c. Related party transactions shall be disclosed fully to the Board. Prior Board approval shall be obtained for related party transaction that are material in nature.</p> <p>http://republic-insurance.ph/wp-content/uploads/2013/04/RSIC-Corporate-Governance-Manual.pdf</p>
B.4.3	Does the company have a policy requiring board members (directors/commissioners) to abstain from participating in the board discussion on a particular agenda when they are conflicted?	Y	Default
B.4.4	Does the company have policies on loans to directors and commissioners either forbidding this practice or ensuring that they are being conducted at arm's length basis and at market rates.	Y	Default
B.5	Protecting minority shareholders from abusive actions		
B.5.1	Were there any RPTs that can be classified as financial assistance to entities other than wholly-owned subsidiary companies?	N	
			<p>Source:</p> <p>Annual Report, FS Notes, Page 68</p> <p>RELATED PARTIES</p>

B.5.2	Does the company disclose that RPTs are conducted in such a way to ensure that they are fair and at arms' length?	Y	Parties are considered to be related if one party has the ability, directly or indirectly, to control the other party or exercise significant influence over the other party in making financial and operating decisions. Parties are also considered to be related if they are subject to common control or common significant influence. http://republic-insurance.ph/wp-content/uploads/2013/04/RSIC-2012-Annual-Report.pdf
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