

E. Responsibilities of the Board			
E.1 Clearly defined board responsibilities and corporate governance policy			
Question	Answer	Remarks	
E.1.1	Are the roles and responsibilities of the board of directors/commissioners clearly stated ?	Y	<p>Source: Corporate Governance Manual, Pages 5 - 8 3.0 Duties and Responsibilities of the Board</p> <p>The Board of Directors is primarily responsible for the governance of the company. It shall also establish the company's vision, mission, strategic objectives, policies and procedures that shall guide its activities. A director's office is one of trust and confidence. He shall act in a manner characterized by transparency, accountability, integrity, and fairness...</p> <p>http://republic-insurance.ph/wp-content/uploads/2013/04/RSIC-Corporate-Governance-Manual.pdf</p>
E.1.2	Are the types of decisions requiring board of directors/commissioners' approval disclosed ?	Y	<p>Source: Corporate Governance Manual, Pages 5 - 8</p> <p>To ensure a high standard of best practice for the Company and its stakeholders, the Board shall....</p> <p>3.8 Approve corporate policies in core areas of operations, specifically underwriting, investment, reinsurance and claims management.</p> <p>3.9 Plan succession, including appointing, training, fixing the compensation of, and where appropriate, replacing senior management.</p> <p>3.10 Develop and implement an investor relations program or adopt stockholder communication policy for the company...</p> <p>http://republic-insurance.ph/wp-content/uploads/2013/04/RSIC-Corporate-Governance-Manual.pdf</p>
E.1.3	Does the company disclose its corporate governance policy / board charter?	Y	<p>RSIC's Manual on Corporate Governance is available for download on its corporate website.</p> <p>http://republic-insurance.ph/wp-content/uploads/2013/04/RSIC-Corporate-Governance-Manual.pdf</p>
E.2 Code of ethics or conduct			
E.2.1	Does the company have a code of ethics or conduct?	Y	<p>Source: Code of Ethics, Page 2</p> <p>RSIC sets out a different company's code of ethics that should reflect the company's ethos, values and business style. To give guidance to employees on how to deal with certain ethical behavior for the success of the company. The code covers - Our Relationship with Each Other; Our Relationship with the Company; Our Relationship with our Clients; Our Relationship with Government and the Law; Our Relationship with Society and Our Relationship with the Environment.</p> <p>http://republic-insurance.ph/wp-content/uploads/2013/04/RSIC-Code-of-Ethics.pdf</p>
E.2.2	Are the details of the code of ethics or conduct disclosed?	Y	<p>http://republic-insurance.ph/wp-content/uploads/2013/04/RSIC-Code-of-Ethics.pdf</p>

E.2.3	Does the company disclose that all directors/commissioners, senior management and employees are required to comply with the code?	Y	<p>Source: Code of Ethics, Page 2</p> <p>The principles in this Code are part of the life and culture of our Company during its more than 65 years of existence. The spirit of our challenge "To find God in each other and in others" inspire us to deliver - - excellence in all our endeavors of being a total risk solution provider with thoroughness, honesty and professional integrity the cornerstone of our business!</p> <p>We therefore commit to adhere to said standards of behavior in our business dealings.</p> <p>http://republic-insurance.ph/wp-content/uploads/2013/04/RSIC-Code-of-Ethics.pdf</p>
E.2.4	Does the company disclose how it implements and monitors compliance with the code of ethics or conduct?	Y	<p>Source: Code of Ethics, Page 8-9</p> <p>IX. Implementation and Monitoring</p> <p>1. Human Resources Office has the specific task of implementing and monitoring corporate policies throughout the organization and the definition of the process by which such policies are implemented and monitored...</p> <p>http://republic-insurance.ph/wp-content/uploads/2013/04/RSIC-Code-of-Ethics.pdf</p>
E.3 Corporate Vision/Mission			
E.3.1	Does the board of directors/commissioners periodically review and approve the vision and mission?	Y	<p>Source: Corporate Governance Manual, Page 5</p> <p>The Board of Directors is primarily responsible for the governance of the company. It shall also establish the company's vision, mission, strategic objectives, policies and procedures that shall guide its activities. A director's office is one of trust and confidence. He shall act in a manner characterized by transparency, accountability, integrity, and fairness.</p> <p>To ensure a high standard of best practice for the Company and its stakeholders, the Board shall:</p> <p>3.1 Review and adopt a strategic plan for the company.</p> <p>3.2 Articulate a corporate culture and ensure that it is lived...</p> <p>http://republic-insurance.ph/wp-content/uploads/2013/04/RSIC-Corporate-Governance-Manual.pdf</p>
E.4 Board Structure & Composition			
	Does the board of directors/ commissioners comprise at least		<p>Source: Corporate Governance Manual, Page 4</p> <p>Composition of the Board</p>

E.4.1	Does the board of directors/ commissioners comprise at least five members and no more than 12 members? (i.e., between 5 - 12 members)	Y	1.1 The Board consists of nine (9) directors who shall be elected by the stockholders at a regular or special meeting in accordance with the By-Laws of the Company. http://republic-insurance.ph/wp-content/uploads/2013/04/RSIC-Corporate-Governance-Manual.pdf
E.4.2	Do independent, non-executive directors/commissioners number at least three <u>and</u> make up more than 50% of the board of directors/commissioners?	Y	Source: Annual Report, Board of Directors, Page 31-33 The combined number of Non-Executive Directors and Independent Directors is 8 - there are two independent directors and 6 non-executive directors http://republic-insurance.ph/wp-content/uploads/2013/04/RSIC-2012-Annual-Report.pdf
E.4.3	Does the company provide a definition of independence in its Annual Report?	Y	Source: Annual Report, Page 29 Independent Director– refers to a person who apart from his fees and shareholdings is independent of Management and free from any business or other relationship which could, or could reasonably be perceived to, materially interfere with his exercise of any independent judgment in carrying out his responsibilities as a director in the company. http://republic-insurance.ph/wp-content/uploads/2013/04/RSIC-2012-Annual-Report.pdf
E.4.4	Are the independent directors/commissioners independent of management and major/ substantial shareholders?	Y	Source: Annual Report, Board of Directors, Page 31-33 The two independent directors are not affiliated with Meralco or any of its major shareholders. (see Profile) http://republic-insurance.ph/wp-content/uploads/2013/04/RSIC-2012-Annual-Report.pdf
E.4.5	Does the company have a term limit of nine years or less for its independent directors/commissioners?	N	
E.4.6	Has the company set a limit of five board seats in publicly-listed companies that an individual director/commissioner may hold simultaneously?	N	
E.4.7	Does the company have any independent directors/commissioners who serve on more than five boards of publicly-listed companies?	N	
E.4.8	Does the company have any executive directors who serve on more than two boards of listed companies outside of the group?	N	
E.5	Skills and Competencies		
E.5.1	Does at least one non-executive director/commissioner have prior working experience in the major industry the company is operating in?	N	
			Source: Corporate Governance Manual, Page 4

E.5.2	Does the company disclose a board of directors/commissioners diversity policy?	Y	<p>1.0 Composition of the Board</p> <p>1.1 The Board consists of nine (9) directors who shall be elected by the stockholders at a regular or special meeting in accordance with the By-Laws of the Company.</p> <p>1.2 The Board shall have at least (2) independent directors.</p> <p>1.3 The Chairman of the Board shall be a non- executive director.</p> <p>1.4 The Board shall include a balance of executive directors and non-executive directors (particularly independent non-executive directors) such that no individual or small group of individuals can dominate the Board’s decision making.</p> <p>http://republic-insurance.ph/wp-content/uploads/2013/04/RSIC-Corporate-Governance-Manual.pdf</p>
E.6 Board Chairman			
E.6.1	Do different persons assume the roles of chairman and CEO?	Y	<p>Source: Annual Report, Board of Directors, Page 31</p> <p>http://republic-insurance.ph/wp-content/uploads/2013/04/RSIC-2012-Annual-Report.pdf</p>
E.6.2	Is the chairman a non-executive director/commissioner?	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>
			<p>Source: Annual Report, Board of Directors, Page 31 MONICO V. JACOB, 67 Chairman/ Independent Director (since January 2007)</p>

E.6.3	Is the chairman an independent director/commissioner?	Y	<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>
E.6.4	Is the chairman the current or immediate past CEO?	N	
E.6.5	Are the role and responsibilities of the chairman disclosed?	Y	<p>Source: Annual Report, Board of Directors, Page 31</p> <p>http://republic-insurance.ph/wp-content/uploads/2013/04/RSIC-2012-Annual-Report.pdf</p>
E.7 Board meetings and attendance			
E.7.1	Are the board of directors/commissioners meetings scheduled before or at the beginning of the year?	N	
E.7.2	Does the board of directors/commissioners meet at least six times per year?	Y	<p>Source: Annual Report, RSIC Board Meetings in 2012, Page 35</p> <p>The Board of Directors met seven (7) times in 2012.</p> <p>http://republic-insurance.ph/wp-content/uploads/2013/04/RSIC-2012-Annual-Report.pdf</p>
E.7.3	Has each of the directors/commissioners attended at least 75% of all the board meetings held during the year?	N	
E.7.4	Does the company require a minimum quorum of at least 2/3 for board decisions?	N	
E.7.5	Did the non-executive directors/commissioners of the company meet separately at least once during the year without any executives present?	N	
E.8 Orientation Programme for New Directors			
E.8.1	Does the company have orientation programmes for new directors/commissioners?	Y	<p>Source: Corporate Governance Manual, Page 26</p> <p>16.2 Duties and responsibilities of the Corporate Secretary</p> <p>f. Conduct orientation for new Directors on the Company's organizational structures and business operation.</p> <p>http://republic-insurance.ph/wp-content/uploads/2013/04/RSIC-Corporate-Governance-Manual.pdf</p>
E.9 Director Training			
	Does the company have a policy that encourages		<p>Source: Corporate Governance Manual, Page 11</p> <p>7.0 Qualifications</p>

E.9.1	directors/commissioners to attend on-going or continuous professional education programmes?	Y	v. Must have attended a special seminar on corporate governance conducted by a training provider accredited by the Insurance Commission. http://republic-insurance.ph/wp-content/uploads/2013/04/RSIC-Corporate-Governance-Manual.pdf
E.10 Access to information			
E.10.1	Are board papers for board of directors/commissioners meetings provided to the board at least five business days in advance of the board meeting?	N	
E.10.2	Does the company secretary play a significant role in supporting the board in discharging its responsibilities?	Y	Source: Corporate Governance Manual, Page 25 16.0 Corporate Secretary The Corporate Secretary is an officer of the company and are expected to observe the highest degree of professionalism, integrity, and diligence... http://republic-insurance.ph/wp-content/uploads/2013/04/RSIC-Corporate-Governance-Manual.pdf
E.10.3	Is the company secretary trained in legal, accountancy or company secretarial practices?	Y	Source: Corporate Governance Manual, Page 26 16.1 Qualifications of the Corporate Secretary a. Shall be a resident Filipino Citizen of good moral character. b. Shall have an adequate legal, administrative, and interpersonal skills. http://republic-insurance.ph/wp-content/uploads/2013/04/RSIC-Corporate-Governance-Manual.pdf
E.11 Nominating Committee			
E.11.1	Does the company have a Nominating Committee (NC)?	Y	Source: Annual Report, Committees, Page 37 Nominations Committee Members Mr. Oscar S. Reyes -Chairman Mr. Rafael L. Andrada -Member Mr. Pedro P. Benedicto, Jr. -Member Mr. Manolo C. Fernando -Member http://republic-insurance.ph/wp-content/uploads/2013/04/RSIC-2012-Annual-Report.pdf Source: Corporate Governance Manual, Page 21 The Board of Directors shall form Board Committees to aid in ensuring compliance with the principles of good corporate governance. The members of such Committees shall be appointed by the board of directors annually. 11.1 Nomination Committee a. Shall be composed of at least three (3) directors... http://republic-insurance.ph/wp-content/uploads/2013/04/RSIC-Corporate-Governance-Manual.pdf
E.11.2	Does the Nominating Committee comprise of a majority of independent directors/commissioners?	N	

E.11.3	Is the chairman of the Nominating Committee an independent director/commissioner?	N	
E.11.4	Does the company disclose the terms of reference/governance structure/charter of the Nominating Committee?	Y	<p>Source: Corporate Governance Manual, Page 20 The Board of Directors shall form Board Committees to aid in ensuring compliance with the principles of good corporate governance. The members of such Committees shall be appointed by the board of directors annually.</p> <p>11.1 Nomination Committee a. Shall be composed of at least three (3) directors... http://republic-insurance.ph/wp-content/uploads/2013/04/RSIC-Corporate-Governance-Manual.pdf</p>
E.11.5	Does the Annual Report disclose the number of Nominating Committee meetings held?	N	
E.11.6	Did the Nominating Committee meet at least twice during the year?	N	
E.11.7	Is the attendance of members at Nominating Committee meetings disclosed?	N	
E.12 Board Appointments and Re-Election			
E.12.1	Does the company disclose the <u>criteria used in selecting</u> new directors/commissioners?	Y	<p>Source: Corporate Governance Manual, Pages 10-11 7.1 Directors</p> <p>a. Every director shall own at least one (1) share of the capital stock of the Company of which he is a director, which share shall stand in his name in the books of the Company. He must have all the qualifications and none of the disqualifications of a director. The following are the qualifications:</p> <p>i. Shall be at least twenty-five (25) years of age at the time of his appointment;</p> <p>ii. Possesses college education or the skills needed to effectively carry out his function as director...</p> <p>http://republic-insurance.ph/wp-content/uploads/2013/04/RSIC-Corporate-Governance-Manual.pdf</p>
E.12.2	Does the company disclose the <u>process followed in appointing</u> new directors/commissioners?	Y	<p>Source: Corporate Governance Manual "Section 1: Composition of the Board (pages 4-5) Section 2: Multiple Board Seats (page 5) Section 7: Qualifications (pages 10-12) Section 8: Disqualifications of a Director (pages 12-14)" http://republic-insurance.ph/wp-content/uploads/2013/04/RSIC-Corporate-Governance-Manual.pdf</p>
E.12.3	Are all the directors/commissioners subject to re-election at least once every three years?	N	

E.13 CEO/Executive Management Appointments and Performance			
E.13.1	Does the company disclose how the board of directors/commissioners plans for the succession of the CEO/Managing Director/President and key management?	Y	
E.13.2	Does the board of directors/commissioners conduct an annual performance assessment of the CEO/Managing Director/President?	N	
E.14 Board Appraisal			
E.14.1	Is an annual performance assessment conducted of the board of directors/commissioners?	N	
E.14.2	Does the company disclose the process followed in conducting the board assessment?	N	
E.14.3	Does the company disclose the criteria used in the board assessment?	N	
E.15 Director Appraisal			
E.15.1	Is an annual performance assessment conducted of individual director/commissioner?	N	
E.15.2	Does the company disclose the process followed in conducting the director/commissioner assessment?	N	
E.15.3	Does the company disclose the criteria used in the director/commissioner assessment?	N	
E.16 Committee Appraisal			
E.16.1	Is an annual performance assessment conducted of the board of directors/commissioners committees?	N	
E.17 Remuneration Committee/ Compensation Committee			
E.17.1	Does the company have a Remuneration Committee?	Y	<p>Source: Corporate Governance Manual, Page 23 11.4 Compensation and Remuneration Committee a. The Compensation and Remuneration Committee preferably shall be composed of at least three (3) directors... http://republic-insurance.ph/wp-content/uploads/2013/04/RSIC-Corporate-Governance-Manual.pdf</p>
	Does the Remuneration Committee comprise of a majority of		<p>Source: Annual Report, Committees, Page 36 COMPENSATION AND REMUNERATION COMMITTEE Mr. MonicoV. Jacob-Chairman Mr. Benito T. de la Cruz-Member Ms. Betty C. Siy-Yap-Member Mr. Ferdinand K. Constantino-Member</p>

E.17.2	Does the remuneration committee comprise of a majority of independent directors/commissioners?	Y	<p>*Note: As of September 30, 2013, San Miguel corporation (SMC) has sold its 27.1 percent stake in Manila Electric Company to the Gokongwei-led JG Summit Holdings, making Mr. Ferdinand K. Constantino, the Chief Finance Officer of SMC, an independent director of RSIC. Because of this, the Compensation and Remuneration Committee now has three (3) independent directors as members, comprising a majority.</p> <p>http://republic-insurance.ph/wp-content/uploads/2013/04/RSIC-2012-Annual-Report.pdf</p>
E.17.3	Is the chairman of the Remuneration Committee an independent director/commissioner?	Y	<p>Source: Annual Report, Committees, Page 36 COMPENSATION AND REMUNERATION COMMITTEE</p> <p>Mr. Monico V. Jacob- Chairman Mr. Benito T. de la Cruz- Member Ms. Betty C. Siy-Yap- Member Mr. Ferdinand K. Constantino- Member</p> <p>http://republic-insurance.ph/wp-content/uploads/2013/04/RSIC-2012-Annual-Report.pdf</p>
E.17.4	Does the company disclose the terms of reference/governance structure/ charter of the Remuneration Committee?	Y	<p>Source: Corporate Governance Manual, Page 23 11.4 Compensation and Remuneration Committee</p> <p>a. The Compensation and Remuneration Committee preferably shall be composed of at least three (3) directors</p> <p>b. Shall establish a formal and transparent procedure for developing policy on remuneration of directors and officers to ensure that their compensation is consistent with the company's culture, strategy, and the business environment in which it operates;...</p> <p>http://republic-insurance.ph/wp-content/uploads/2013/04/RSIC-Corporate-Governance-Manual.pdf</p>
E.17.5	Does the Annual Report disclose the number of Remuneration Committee meetings held?	N	
E.17.6	Did the Remuneration Committee meet at least twice during the year?	N	
E.17.7	Is the attendance of members at Remuneration Committee meetings disclosed?	N	
E.18 Remuneration Matters			
E.18.1	Does the company disclose its remuneration (fees, allowances, benefit-in-kind and other emoluments) policy (i.e. the use of short term and long term incentives and performance measures) for its executive directors and CEO?	N	
E.18.2	Is there disclosure of the fee structure for non-executive directors/commissioners?	N	

E.18.3	Do the shareholders or the Board of Directors approve the remuneration of the executive directors and/or the senior executives?	Y	Default
E.18.4	Do independent non-executive directors/commissioners receive options, performance shares or bonuses?	N	
E.19 Audit Committee			
E.19.1	Does the company have an Audit Committee?	Y	<p>Source: Corporate Governance Manual, Page 22 11.2. Audit Committee a. Shall be composed of at least three (3) directors, one of whom must be independent...</p> <p>http://republic-insurance.ph/wp-content/uploads/2013/04/RSIC-Corporate-Governance-Manual.pdf</p>
E.19.2	Does the Audit Committee comprise entirely of non-executive directors/commissioners with a majority of independent directors/commissioners?	Y	<p>Source: Annual Report, Committees, Page 36 AUDIT COMMITTEE</p> <p>Mr. Benito T. de la Cruz - Chairman Mr. Monico V. Jacob - Member Ms. Betty C. Siy-Yap - Member Mr. Ferdinand K. Constantino - Member</p> <p>*Note: As of September 30, 2013, San Miguel corporation (SMC) has sold its 27.1 percent stake in Manila Electric Company to the Gokongwei-led JG Summit Holdings, making Mr. Ferdinand K. Constantino, the Chief Finance Officer of SMC, an independent director of RSIC. Because of this, the Audit Committee now has three (3) independent directors as members, comprising a majority.</p> <p>http://republic-insurance.ph/wp-content/uploads/2013/04/RSIC-2012-Annual-Report.pdf</p>
E.19.3	Is the chairman of the Audit Committee an independent director/commissioner?	Y	<p>Source: Annual Report, Committees, Page 32 BENITO T. DELA CRUZ, 66 Independent Director (since April 2008)</p> <p>http://republic-insurance.ph/wp-content/uploads/2013/04/RSIC-2012-Annual-Report.pdf</p>
E.19.4	Does the company disclose the terms of reference/governance structure/charter of the Audit Committee?	Y	<p>Source: Corporate Governance Manual, Page 22 11.2. Audit Committee a. Shall be composed of at least three (3) directors, one of whom must be independent...</p> <p>http://republic-insurance.ph/wp-content/uploads/2013/04/RSIC-Corporate-Governance-Manual.pdf</p>

E.19.5	Does the Annual Report disclose the profile or qualifications of the Audit Committee members?	Y	<p>Source: Annual Report, Board of Directors, Page 32-33</p> <p>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...</p> <p>http://republic-insurance.ph/wp-content/uploads/2013/04/RSIC-2012-Annual-Report.pdf</p>
E.19.6	Does at least one of the independent directors/commissioners of the committee have accounting expertise (accounting qualification or experience)?	Y	<p>Source: Annual Report, Committees, Page 36</p> <p>AUDIT COMMITTEE</p> <p>Mr. Benito T. de la Cruz- Chairman Mr. Monico V. Jacob- Member Ms. Betty C. Siy-Yap- Member Mr. Ferdinand K. Constantino- Member</p> <p>http://republic-insurance.ph/wp-content/uploads/2013/04/RSIC-2012-Annual-Report.pdf</p> <p>Annual Report, Committees, Page 32 BENITO T. DELA CRUZ, 66 Independent Director (since April 2008)</p> <p>Mr. Benito T. Dela Cruz is the President/Director of Meralco Employees Savings and Loan Association, Inc. (MESALA). He has been a member of the Board of Directors of Meralco Financial Services Inc. since 2004. He was also a former Senior Vice President and comptroller of Meralco. He earned a Degree of BSC-Accounting from the Lyceum of the Philippines in 1967. He pursued his Master in Business Administration Degree at the University of San Francisco, California, USA in 1970.</p> <p>http://republic-insurance.ph/wp-content/uploads/2013/04/RSIC-2012-Annual-Report.pdf</p>
E.19.7	Does the Annual Report disclose the number of Audit Committee meetings held?	Y	<p>Source: Annual Report, Corporate Governance at RSIC, Page 30</p> <p>An Audit Committee meeting was held last March 13, 2013, to approve the 2012 RSIC Financial Statements.</p> <p>http://republic-insurance.ph/wp-content/uploads/2013/04/RSIC-2012-Annual-Report.pdf</p>
E.19.8	Did the Audit Committee meet at least four times during the year?	N	
			Source:

E.19.9	Is the attendance of members at Audit Committee meetings disclosed?	Y	<p>Annual Report, Corporate Governance at RSIC, Page 30</p> <p>An Audit Committee meeting was held last March 13, 2013, to approve the 2012 RSIC Financial Statements. Present in the meeting are AuditCom members, Mr. Benito dela Cruz (Chairman, Atty. Monico V. Jacob and Ms. Betty Siy-Yap. Also present are RSIC executives Pedro P. Benedicto, Jr. (President and CEO) and Ms. Cecilia P. Pallon (Chief Finance Officer) as well as KPMG (external auditor) officers Mr. Dennis Ilan (Partner), Mr. Ronald Alvarez (Audit Manager) and Ms. Nerisa Lu (Auditor).</p> <p>http://republic-insurance.ph/wp-content/uploads/2013/04/RSIC-2012-Annual-Report.pdf</p>
E.19.10	Does the Audit Committee have primary responsibility for recommendation on the appointment, re-appointment and removal of the external auditor?	Y	<p>Source:</p> <p>Corporate Governance Manual, Board Committes, Page 22</p> <p>11.2. Audit Committee</p> <p>d. Shall be responsible for the setting –up of internal audit department, and the appointment of internal auditors as well as of independent external auditors.</p> <p>http://republic-insurance.ph/wp-content/uploads/2013/04/RSIC-Corporate-Governance-Manual.pdf</p>
E.20 Internal Audit			
E.20.1	Does the company have a separate internal audit function?	Y	<p>Source:</p> <p>Corporate Governance Manual, Page 27</p> <p>17.0 Internal Auditor</p> <p>The Company shall have in place an independent internal audit function. It shall provide the Board, senior management, and stockholders the assurance that its key organizational and procedural controls are effective, appropriate, and complied with.</p> <p>http://republic-insurance.ph/wp-content/uploads/2013/04/RSIC-Corporate-Governance-Manual.pdf</p>
Use website Corporate Governance Page			
E.20.2	Is the head of internal audit identified or, if outsourced, is the name of the external firm disclosed?	Y	RSIC's internal audit is performed by its parent company's (Meralco) Internal Audit Department
E.20.3	<u>Does the appointment and removal of the internal auditor require the approval of the Audit Committee?</u>	Y	<p>Source:</p> <p>Corporate Governance Manual, Page 22</p> <p>11.2 Audit Committee</p> <p>d. Shall be responsible for the setting–up, re-appointment and removal of internal audit department, and the appointment of internal auditors as well as of independent external auditors.</p> <p>http://republic-insurance.ph/wp-content/uploads/2013/04/RSIC-Corporate-Governance-Manual.pdf</p>
E.21 Risk Oversight			
			<p>Source:</p> <p>Code of Ethics, Page 6 - 7</p>

E.21.1	Does the company disclose the internal control procedures/risk management systems it has in place?	Y	<p>VI. Risk Management and Internal Control</p> <ol style="list-style-type: none"> 1. We recognize that risk management and internal control processes act as enablers for the effective governance of our Company. Organizations, processes and application systems in our Company are structured to ensure checks and balances are in place. 2. We track and manage risk in the delivery of our Company's commitments to the stakeholders. Monitoring and reporting of risk is embedded as part of performance reporting in all levels of our Company. 3. We designate process owners to assess the risks of respective processes, design and implement necessary controls and procedures to mitigate the risks. 4. We ensure that internal organizational and procedural controls are embedded to support the operations of the different organizations within our Company. <p>Corporate Governance Manual, Page 9 - 10</p> <p>6.0. Internal Control Responsibilities of the Company</p> <p>6.1 The control environment of the Company consists of:</p> <ol style="list-style-type: none"> a. The Board which ensures that the Company is properly managed and effectively supervised; b. Management that actively manages and operate the Company in a sound and prudent manner; c. The organizational and procedural controls supported by effective management information and risk management reporting systems; and d. An independent audit mechanism to monitor the adequacy and effectiveness of the Company's financial reporting, governance, operations and information systems, including the reliability and integrity of financial and operational information, the effectiveness and efficiency of operations, the safeguarding of assets, confidential information, and compliance with laws, rules, regulations and contracts.
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			<p>6.2. The Board's internal control mechanisms for the Board's oversight responsibility may include:</p> <ul style="list-style-type: none"> a. Definition of the duties and responsibilities of the President who is ultimately accountable for the Company's organizational and operational controls; b. Selection of a President who possesses the ability, integrity and expertise essential for the position; c. Establishment by the Company of an internal audit system that can reasonably assure the Board, Management, and stockholders that the Company's key organizational and operational controls are appropriate, adequate, effective, and complied with; e. Selection and appointment of proposed senior management officers; and 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>http://republic-insurance.ph/wp-content/uploads/2013/04/RSIC-Code-of-Ethics.pdf http://republic-insurance.ph/wp-content/uploads/2013/04/RSIC-Corporate-Governance-Manual.pdf</p>
E.21.2	Does the Annual Report disclose that the board of directors/commissioners has conducted a review of the company's material controls (including operational, financial and compliance controls) and risk management systems?	Y	<p>Source: Annual Report, Audited Financial Statements, Page 49</p> <p>Excerpt from the Minutes of the 2013 Annual Stockholders' Meeting of RSIC:</p> <p>"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>

			http://republic-insurance.ph/wp-content/uploads/2013/04/RSIC-2012-Annual-Report.pdf
E.21.3	Does the company disclose how key risks are managed?	Y	<p>Source: Annual Report, Key Risks - Governance, Page 15 - 25</p> <p>Key Risks - Governance The primary objective of the Company's insurance risk and financial risk management framework is to protect the Company's stockholders from events that hinder the sustainable achievement of the financial performance objectives, including failing to exploit opportunities. Key management recognizes the critical importance of having efficient and effective risk management system...</p> <p>http://republic-insurance.ph/wp-content/uploads/2013/04/RSIC-2012-Annual-Report.pdf</p>