

PART E: RESPONSIBILITIES OF THE BOARD

E.1 Board Duties and Responsibilities			Yes or No	Remarks
	Clearly defined board responsibilities and corporate governance policies			
E.1.1	Does the company disclose its corporate governance policy/ board charter?	<p>OECD PRINCIPLE V: Disclose and Transparency (A) Disclose should include, but not be limited to, material information on: 8. Governance structures and policies, in particular, te content of any corporate governance code or policy and the process by with it is implemented.</p>	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.1.2	Are the types of decisions requiring board of directors/ commissioners' approval disclosed?	<p>OECD PRINCIPLE VI (D)</p>	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	Are the roles and responsibilities of the board of directors/ commission clearly stated?	<p>OECD PRINCIPLE VI: The Responsibilities of the Board (D) The board should fulfil certain key functions, including: 1. Reviewing and guiding corporate strategy, major plans of action, risk policy, annual budgets and business plans; setting performance objectives; monitoring implementation and corporate performance; and overseeing major capital expenditures, acquisitions and divestitures. 2. Monitoring the effectiveness if the company's governance practices and making changes as needed. 3. Selecting, compensating, monitoring and, when necessary, replacing key executives and overseeing succession planning. 4. Aligning key executive and board remuneration with the longer term interests of the company and its shareholders. 5. Ensuring a formal and transparent board nomination and election process. 6. Monitrong and managing potential conflicts of interest of management, boar members and shareholders, including misuse of corporate assets and abuse in related party transactions. 7. Ensuring the integrity of the corporation's accounting and financial reporting system's including the independent audit, and that appropriate systems of control are in place, in particular, systems for risk management, financial and opeational control, and compliance with the law and relevant standards. 8. Overseeing the process of disclosure and comuncations.</p>	Y	<p>Source: Corporate Governance, Pages 5 - 8</p> <p>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>

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Corporate Vision/Mision				
E.1.4	Does the company have a vision and mission statement	IOECD PRINCIPLE 6 (P58) ICGN:3.2 Integrity	Y	Source: Website, Our Philosophy Our Vision is to be a TOTAL RISK SOLUTION PROVIDER. Putting its core values of malasakit and customer focus to bear, we at Republic are committed to going beyond traditional insurance underwriting by taking a risk-managed approach in providing insurance and other risk solutions to our clients. Our Mission is to be a PROFESSIONAL RISK TAKER OF CHOICE with emphasis in RISK MANAGEMENT & INSURANCE. In achieving its vision as a ,total risk solution provider', Republic aims to deliver quality and ... http://republic-insurance.ph/the-company/our-philosophy/
E.1.5	Has the board review the vision and mission/strategy in the last financial year?		N	
E.1.6	Does the board of directors monitor/oversee the implementation of the corporate strategy?	ICGN:3.2 Integrity The board is responsible for overseeing the implementation and maintenance of a culture if integrity. The board should encourage a culture of integrity permeating all aspects of the co., and secure that its vision, mission and objectives are ethically sound.	Y	Source: Corporate Governance Manual, Page 5 3.0 Duties and Responsibilities of the Board To ensure a high standard of best practice for the Company and its stakeholders, the Board shall: 3.1 Review and adopt a strategic plan for the company. 3.2 Articulate a corporate culture and ensure that it is lived... 3.6 Establish and oversee the company's enterprise-wide risk management system. 3.7 Review and approve business plans and set up a mechanism for performance monitoring and evaluation. 3.8 Approve corporate policies in core areas of operations, specifically underwriting, investment, reinsurance and claims management... http://republic-insurance.ph/wp-content/uploads/2013/04/RSIC-Corporate-Governance-Manual.pdf
E.2 Board structure				
Code of Ethics or Conduct				
E.2.1	Are the details of the code of ethics or conduct disclosed?		Y	http://republic-insurance.ph/wp-content/uploads/2013/04/RSIC-Code-of-Ethics.pdf
E.2.2	Does the company disclose that all directors/commissioners, senior management and employees are required to comply with the code?	OECD PRINCIPLE VI (C) The board should apply high ethical standards. Its should take into account the interests of stakeholders. The board has a key role in setting the ethical tone of a company, not only by its own actions, but also in appointing and overseeing key executives and consequently the management in general. High ethical standards are in the long term interests of the company as a means to make it credible and trustworthy, not only in day-to-day operations but also with respect to longer term commitments. To make the objectives of the board clear and operational, many companies have found it useful to develop company codes of conduct based on, international professional standards and sometimes broader codes of behaviour. The latter might include a voluntary commitment by the company (including its subsidiaries) to comply with the OECD Guidelines for Multinational Enterprises which reflect all four principles contained in the ILO Declaration on Fundamental Labour Rights.	Y	Source: Code of Ethics, Page 2 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! We therefore commit to adhere to said standards of behavior in our business dealings. http://republic-insurance.ph/wp-content/uploads/2013/04/RSIC-Code-of-Ethics.pdf
E.2.3	Does the company disclose how it implements and monitors compliance with the code of ethics or conduct?		Y	Source: Code of Ethics, Page 8-9 IX. Implementation and Monitoring 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... http://republic-insurance.ph/wp-content/uploads/2013/04/RSIC-Code-of-Ethics.pdf

Board Structure & Composition			
E2.4	Do independent directors/ commissioners make up at least 50% of the board of directors/commissioners?	<p>OECD PRINCIPLE VI (E) In order to exercise its duties of monitoring managerial performance, preventing conflicts of interest and balancing competing demands on the corporation, it is essential that the board is able to exercise objective judgement. In the first instance this will mean independence and objectivity with respect to management with important implications for the composition and structure of the board. Board independence in these circumstances usually requires that a sufficient number of board members will need to be independent of management. The ASX Code recommends at least a majority of independent directors, while the UK Code recommends at least half of the board, excluding the chairman, be independent directors. The minimum of three independent directors is to ensure that companies with small boards have enough independent directors (note that stock exchange rules often require at least two independent directors).</p>	<p style="text-align: center;">N</p>
E.2.5	Are the independent directors/commissioners independent of management and major/substantial shareholders?	<p>OECD PRINCIPLE VI (E) In order to exercise its duties of monitoring managerial performance, preventing conflicts of interest and balancing competing demands on the corporation, it is essential that the board is able to exercise objective judgement. In the first instance this will mean independence and objectivity with respect to management with important implications for the composition and structure of the board. Board independence in these circumstances usually requires that a sufficient number of board members will need to be independent of management.</p> <p>The variety of board structures, ownership patterns and practices in different countries will thus require different approaches to the issue of board objectivity. In many instances objectivity requires that a sufficient number of board members not be employed by the company or its affiliates and not be closely related to the company or its management through significant economic, family or other ties. This does not prevent shareholders from being board members. In others, independence from controlling shareholders or another controlling body will need to be emphasised, in particular if the ex ante rights of minority shareholders are weak and opportunities to obtain redress are limited. This has led to both codes, and the law in some jurisdictions, to call for some board members to be independent of dominant shareholders, independence extending to not being their representative of having close business ties with them.</p>	<p style="text-align: center;">Y</p> <p>The two independent directors, Atty. Monico V. Jacob and Mr. Benito T. de la Cruz are not affiliated with Meralco or any of its major shareholders. (see Profile)</p> <p style="text-align: right;">http://republic-insurance.ph/wp-content/uploads/2015/06/Republic-2014-Annual-Report.pdf</p>

E.2.6	Does the company have a term limit of nine years or less for its independent directors/commissioners?	UK CODE (2010): Non-executive directors should be appointed for specified terms subject to re-elect and to statutory provisions relating to the removal of a director. Any term beyond six years for a non-executive director should be subject to particularly rigorous review, and should take into account the need for progressive refreshing of the board and to succession for appointments to the board and to senior management, so as to maintain an appropriate balance of skills and experience within the company and on the board.	N	
E.2.7	Has the company set a limit of five board seats that an individual independent/non-executive director/commissioner may hold simultaneously?	OECD PRINCIPLE VI (E) (3) Board members should be able to commit themselves effectively to their responsibilities. Service on too many boards can interfere with the performance of board members. Companies may wish to consider whether multiple nboard memberships by the same person are compatible with effective board performance and disclose the information to shareholders.	N	
E.2.8	Does the company have independent directors/commissioners who serve on a total of more than five boards of publicly-listed companies?		N	Source: Annual Report, Board of Directors, Page 29 http://republic-insurance.ph/wp-content/uploads/2015/06/Republic-2014-Annual-Report.pdf
E.2.9	Does the company have any executive directors who serve on more than two boards of listed companies outside of the group?		N	Source: Annual Report, Board of Directors, Page 31 http://republic-insurance.ph/wp-content/uploads/2015/06/Republic-2014-Annual-Report.pdf
Nominating Committee				
E.2.10	Does the company have a Nominating Committee (NC)?	OECD PRINCIPLE II (C) (3) Effective shareholder participation in key corporate governance decisions, such as the nomination and election of board members, should be facilitated. Shareholders should be able to make their views known on the remuneration policy for board members and key executives. The equity component of compensation schemes for board members and employees should be subject to shareholder approval. With respect to nomination of candidates, boards in many companies have established Nominating Committees to ensure proper compliance with established nomination procedures and to facilitate and to coordinate the search for a balanced and qualified board. It is increasingly regarded as good practice in many countries for independent board members to have a key role on this committee. To further improve the selection process, the Principles also call for full disclosure of the experience and background of candidates for the board and the nomination process, which will allow an informed assessment of the abilities and suitability of each candidate.	Y	Source: Annual Report, Committees, Page 33 NOMINATION, GOVERNANCE & COMPENSATION COMMITTEE Atty. Monico V. Jacob -Chairman Mr. Benito T. de la Cruz -Member Ms. Betty C. Siy-Yap -Member http://republic-insurance.ph/wp-content/uploads/2015/06/Republic-2014-Annual-Report.pdf
E.2.11	Does the Nominating Committee comprise of a majority of independent directors/ commissioners?		Y	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.2.12	Is the chairman of the Nominating Committee an independent director/commissioner?	This item is in most codes of corporate governance.	Y	Source: Annual Report, Committees, Page 33 NOMINATION, GOVERNANCE & COMPENSATION COMMITTEE Atty. Monico V. Jacob -Chairman Mr. Benito T. de la Cruz -Member Ms. Betty C. Siy-Yap -Member Atty. Monico V. Jacob is an independent director of the Company

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E.2.13	Does the company disclose the terms of reference/governance structure/charter of the Nominating Committee?	OECD PRINCIPLE VI (E) (2) When committees of the board are established, their mandate, composition and working procedures should be well defined and disclosed by the board.	Y	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. 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.2.14	Did the Nominating Committee meet at least twice during the year?	While the use of committees may improve the work of the board they may also raise questions about the collective responsibility of the board and of individual board members. In order to evaluate the merits of board committees it is therefore important that the market receives a full and clear picture of their purpose, duties and composition. Such information is particularly important in an increasing number of jurisdictions where boards are establishing independent Audit Committees with powers to oversee the relationship with the external auditor and to act in many cases independently. Other such committees include those dealing with nomination and compensation. The accountability of the rest of the board and board as a whole should be clear. Disclosure should not extend to committees set up to deal with, for example, confidential commercial transactions	N	
E.2.15	Is the attendance of members at Nominating Committee meetings disclosed?	Given the responsibilities of the NC spelt out in codes of corporate governance, the NC is unlikely to be fulfilling these responsibilities effectively if it is only meeting once a year. Globally, the NC of large companies would meet several times a year.	N	
Remuneration Committee/ Compensation Committee				
E.2.16	Does the company have a Remuneration Committee?		Y	Source: Corporate Governance Manual, Page 23 11.4 Compensation / 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
E.2.17	Does the Remuneration Committee comprise of a majority of independent director/commissioners?	OECD PRINCIPLE VI (D) (4) Aligning key executive and board remuneration with the longer term interests of the company and its shareholders. It is considered good practice in an increasing number of countries that remuneration policy and employment contracts for board members and key executives be handled by a special committee of the board comprising either wholly or a majority of independent directors. There are also calls for a Remuneration Committee that excludes executives that serve on each other's Remuneration Committees, which could lead to conflicts of interest.	Y	Source: Annual Report, Committees, Page 33 NOMINATION, GOVERNANCE & COMPENSATION COMMITTEE Atty. Monico V. Jacob -Chairman Mr. Benito T. de la Cruz -Member Ms. Betty C. Siy-Yap -Member Atty. Monico V. Jacob and Mr. Benito T. De la Cruz are independent directors of the Company http://republic-insurance.ph/wp-content/uploads/2015/06/Republic-2014-Annual-Report.pdf
E.2.18	Is the chairman of the Remuneration Committee an independent director/commissioner?		Y	Source: Annual Report, Committees, Page 33 NOMINATION, GOVERNANCE & COMPENSATION COMMITTEE Atty. Monico V. Jacob -Chairman Mr. Benito T. de la Cruz -Member Ms. Betty C. Siy-Yap -Member Atty. Monico V. Jacob is an independent director of the Company http://republic-insurance.ph/wp-content/uploads/2015/06/Republic-2014-Annual-Report.pdf
				Source: Corporate Governance Manual, Page 23

E.2.19	Does the company disclose the terms of reference/governance structure/charter of the Remuneration Committee?	<p>OECD PRINCIPLE VI (E) (2) When committees of the board are established, their mandate, composition and working procedures should be well defined and disclosed by the board.</p> <p>While the use of committees may improve the work of the board they may also raise questions about the collective responsibility of the board and of individual board members.</p>	Y	<p>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.2.20	Did the Remuneration Committee meet at least twice during the year?		N	
E.2.21	Is the attendance of members at Remuneration Committee meetings disclosed?	<p>In order to evaluate the merits of board committees it is therefore important that the market receives a full and clear picture of their purpose, duties and composition. Such information is particularly important in an increasing number of jurisdictions where boards are establishing independent Audit Committees with powers to oversee the relationship with the external auditor and to act in many cases independently. Other such committees include those dealing with nomination and compensation. The accountability of the rest of the board and board as a whole should be clear. Disclosure should not extend to committees set up to deal with, for example, confidential commercial transactions</p> <p>Given the responsibilities of the Remuneration Committee (RC) which are spelt out in codes of corporate governance, the RC is unlikely to be fulfilling these responsibilities effectively if it only meets once a year. Globally, the RC of large companies should meet several times a year.</p>	N	
Audit Committee				
E.2.22	Does the company have an Audit Committee?	<p>OECD PRINCIPLE VI (E) (1) Boards should consider assigning a sufficient number of non-executive board members capable of exercising independent judgement to tasks where there is a potential for conflict of interest. Examples of such key responsibilities are ensuring the integrity of financial and non-financial reporting, the review of related party transactions, nomination of board members and key executives, and board remuneration.</p>	Y	DEFAULT
E.2.23	Does the Audit Committee comprise entirely of non-executive directors/commissioners with a majority of independent directors/commissioners?	<p>OECD PRINCIPLE VI (E) (2) When committee of the board are established, their mandate, composition and working procedures should be well defined and disclosed by the board.</p>	Y	<p>Source: Annual Report, Committees, Page 33</p> <p>AUDIT & RISK MANAGEMENT COMMITTEE</p> <p>Mr. Benito T. de la Cruz - Chairman</p> <p>Mr. Monico V. Jacob - Member</p> <p>Ms. Betty C. Siy-Yap - Member</p> <p>http://republic-insurance.ph/wp-content/uploads/2015/06/Republic-2014-Annual-Report.pdf</p>
E.2.24	Is the chairman of the Audit Committee an independent director/commissioner?	<p>While the use of committees may improve the work of the board they may also raise questions about the collective responsibility of the board and of individual board members.</p>	Y	DEFAULT
				Source: Corporate Governance Manual, Page 22

E.2.25	Does the company disclose the terms of reference/governance structure/charter of the Audit Committee?	responsibility of the board and of individual board members. In order to evaluate the merits of board committees it is therefore important that the market receives a full and clear picture of their purpose, duties and composition. Such information is particularly important in the increasing number of jurisdictions where boards are establishing independent Audit Committees with powers to oversee the relationship with the external auditor and to act in many cases independently. Other such committees include those dealing with nomination and compensation. The accountability of the rest of the board and board as a whole should be clear. Disclosure should not extend to committees set up to deal with, for example, confidential commercial transactions.	Y	<p>11.2. Audit Committee</p> <p>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> <p>Source: Audit Committee Charter</p> <p>http://republic-insurance.ph/wp-content/uploads/2015/06/Audit-Committee-Charter-2014.pdf</p> <p>Source: Annual Report, Board of Directors, Page 29</p>
E.2.26	Does the Annual Report disclose the profile or qualifications of the Audit committee members?	Most codes specify the need for accounting/finance expertise or experience.	Y	<p>MONICO V. JACOB, 69, 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/2015/06/Republic-2014-Annual-Report.pdf</p> <p>Source: Annual Report, Committees, Page 33</p>
E.2.27	Does at least one of the independent directors/commissioners of the committee have accounting expertise (accounting qualification or experience)?	<p>UK CODE (JUNE 2010)</p> <p>C.3.1. The board should satisfy itself that at least one member of the Audit Committee has recent and relevant financial experience.</p>	Y	<p>AUDIT & RISK MANAGEMENT COMMITTEE</p> <p>Mr. Benito T. de la Cruz- Chairman</p> <p>Mr. Monico V. Jacob- Member</p> <p>Ms. Betty C. Siy-Yap- Member</p> <p>http://republic-insurance.ph/wp-content/uploads/2015/06/Republic-2014-Annual-Report.pdf</p> <p>Source: Annual Report, Board of Directors, Page 29</p> <p>BENITO T. DELA CRUZ, 68</p> <p>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...</p> <p>http://republic-insurance.ph/wp-content/uploads/2015/06/Republic-2014-Annual-Report.pdf</p>
E.2.28	Did the Audit Committee meet at least four times during the year?		N	
E.2.29	Is the attendance of members at Audit Committee meetings disclosed?	As many of the key responsibilities of the Audit Committee are accounting-related, such as oversight of financial reporting and audits, it is important to have someone specifically with accounting expertise, not just general financial expertise.	Y	<p>Source: Annual Report, Corporate Governance, Page 27</p> <p>An Audit Committee meeting was held last March 28, 2014, to approve the 2013 Republic Financial Statements. Present in the meeting are AuditCom members, Mr. Benito dela Cruz (Chairman), Atty. Monico V. Jacob and Ms. Betty C. Siy-Yap. Also present are Republic executives Pedro P. Benedicto, Jr. (President and CEO) and Ms. Cecilia P. Pallon (Chief Finance Officer), Committee Secretariat Atty. Anthony V. Rosete as well as KPMG (external auditor) officer Mr. Dennis Ilan (Partner).</p> <p>http://republic-insurance.ph/wp-content/uploads/2015/06/Republic-2014-Annual-Report.pdf</p> <p>Source: Corporate Governance Manual, Board Committees, Page 22</p>

E.2.30	Does the Audit Committee have primary responsibilities for recommendation on the appointment, and removal of the external auditor?	<p>UK CODE (JUNE 2010) C.3.6 The Audit Committee should have primary responsibility for making a recommendation on the appointment, reappointment and removal of the external auditor. If the board does not accept the Audit Committee's recommendation, it should include in the Annual Report, and in any papers recommending appointment or reappointment, a statement from the Audit Committee explaining the recommendation and should set out reasons why the board has taken a different position.</p>	Y	<p>11.2. Audit Committee 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.3 Board Processes				
Board meetings and attendance				
E.3.1	Are the board of directors meetings scheduled before the start of financial year?	<p>Scheduling board meetings before or at the beginning of the year would allow directors to plan ahead to attend such meetings, thereby helping to maximise participation, especially as non-executive directors often have other commitments. Additional ad hoc meetings can always be scheduled if and when necessary. It is common practice for boards in developed markets to schedule meetings in this way.</p>	N	
E.3.2	Does the board of directors/commissioners meet at least six times during the year?	<p>WORLD BANK PRINCIPLE 6 (VI.I.24) Does the board meet at least six times per year?</p> <p>INDO SCORECARD E.10. How many meetings were held in the past year? If the board met more than six times, the firm earns a 'Y' score. If four to six meetings, the firm was scored as 'fair', while less than four times was scored as 'N'</p>	Y	<p>Source: Annual Report, Republic Board Meetings in 2014, Page 32</p> <p>The Board of Directors met nine (9) times in 2014.</p> <p>http://republic-insurance.ph/wp-content/uploads/2015/06/Republic-2014-Annual-Report.pdf</p>
E.3.3	Has each of the directors/commissioners attended at least 75% of all the board meetings held during the year?	<p>OECD PRINCIPLE VI (E) (3) Board members should be able to commit themselves effectively to their responsibilities.</p> <p>Specific limitations may be less important than ensuring that members of the board enjoy legitimacy and confidence in the eyes of shareholders. Achieving legitimacy would also be facilitated by the publication of attendance records for individual board members (e.g. whether they have missed a significant number of meetings) and any other work undertaken on behalf of the board and the associated remuneration.</p>	N	
E.3.4	Does the company require a minimum quorum of at least 2/3 for board decisions?	<p>WORLD BANK PRINCIPLE 6 (VI.I.28) Is there a minimum quorum of at least 2/3 for board decisions to be valid?</p>	N	

E.3.5	Did the non-executive directors/commissioners of the company meet separately at least once during the year without any executives present?	WORLD BANK PRINCIPLE 6 (VI.E.1.6) Does the corporate governance framework requires or encourages boards to conduct executive sessions?	N	
Access to information				
E.3.6	Are board papers for board of directors/commissioners meetings provided to the board at least five business days in advance of the board meeting?	OECD PRINCIPLE VI (F) In order to fulfil their responsibilities, board members should have access to accurate, relevant and timely information. Board members require relevant information on a timely basis in order to support their decision-making. Non-executive board members do not typically have the same access to information as key managers within the company. The contributions of non- executive board members to the company can be enhanced by providing access to certain key managers within the company such as, for example, the company secretary and the internal auditor, and recourse to independent external advice at the expense of the company. In order to fulfil their responsibilities, board members should ensure that they obtain accurate, relevant and timely information. WORLD BANK PRINCIPLE 6 (VI.F.2) Does such information need to be provided to the board at least five business days in advance of the board meeting?	N	
E.3.7	Does the company secretary play a significant role in supporting the board in discharging its responsibilities?	OECD PRINCIPLE VI (F) ICSA Guidance on the Corporate Governance Role of the Company Secretary	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.3.8	Is the company secretary trained in legal, accountancy or company secretarial practices?	WORLD BANK PRINCIPLE 6 (VI.D.2.12) Do company boards have a professional and qualified company secretary?	Y	Source: Corporate Governance Manual, Page 25 16.0 Corporate Secretary The Corporate Secretary is an officer of the company and is expected to observe the highest degree of professionalism, integrity, and diligence. 16.1 Qualifications of 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
Board Appointments and Re-election				
E.3.9	Does the company disclose the criteria used in selecting new directors/commissioners?	OECD PRINCIPLE II (C) (3) To further improve the selection process, the Principle also call for full disclosure of the experience and background of candidates for the board and the nomination process, which will allow an informed assessment of the abilities and suitability of each candidate. OECD Principle VI (D) (5) Ensuring a formal and transparent board nomination and election process.	Y	Source: Corporate Governance Manual, Pages 10-11 7.1 Directors 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: i. Shall be at least twenty-five (25) years of age at the time of his appointment; ii. Possesses college education or the skills needed to effectively carry out his function as director... http://republic-insurance.ph/wp-content/uploads/2013/04/RSIC-Corporate-Governance-Manual.pdf Source: Corporate Governance Manual

E.3.10	Does the company disclose the process followed in appointing new directors/commissioners?	<p>These Principle promote an active role for shareholders in the nomination and election of board members. The board has an essential role to play in ensuring that this and other aspects of the nominations and election process are respected. First, while actual procedures for nomination may differ among countries, the board or a nomination committee has a special responsibility to make sure that established procedures are transparent and respected. Second, the board has a key role in identifying potential members for the board with the appropriate knowledge, competencies and expertise to complement the existing skills of the board and thereby improve its value-adding potential for the company. In several countries there are calls for an open search process extending to a board range of people.</p>	Y	<p>"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)"</p> <p>http://republic-insurance.ph/wp-content/uploads/2013/04/RSIC-Corporate-Governance-Manual.pdf</p>
E.3.11	Are all the directors/commissioners subject to re-election at least once every three years?	<p>ICGN: 2.9.1 Election of directors: Directors should be conscious of their accountability to shareholders. And many jurisdictions have mechanisms to ensure that this is in place on an ongoing basis. There are some markets however where such accountability is less apparent and in these each director should stand for election on an annual basis. Elsewhere directors should stand for election at least once every three years, though they should face evaluation more frequently.</p> <p>WORLD BANK PRINCIPLE 6 (VI.1.18) Can the re-election of board members be staggered over time? (Staggered board are those where only a part of the board os re-elected at each election, e.g. only 1/3 of directors are re-elected every year.)</p>	Y	DEFAULT
Remuneration Matters				
E.3.12	Does the company disclose its remuneration (fees, allowance, benefit-in-kind and other emoluments) policy/practices (i.e. The use of short term and long term incentives and performance measures) for its executive directors and CEO?	<p>OECD PRINCIPLE VI (D) (4) Aligning key executive and board remuneration with the longer term interests of the company and its shareholders.</p> <p>In an increasing number of countries it is regarded as good practice for boards to develop and disclose a remuneration policy statement covering board members and key executives. Such policy statements specify the relationship between remuneration and performance, and include measurable standards that emphasise the longer run interests of the company over short term considerations. Policy statements generally tend to set conditions for payments to board members for extra-board activities, such as consulting. They also often specify terms to be observed by board members and key executives about holding and trading the stock of the company, and the procedures to be followed in granting and re-pricing of options. In some countries, policy also covers the payments to be made when terminating the contract of an executive.</p>	N	

E.3.13	Is there disclosure of the fee structure for non-executive directors/commissioners?	<p>UK CODE (JUNE 2010) D.1.3 Levels of remuneration for non-executive directors should reflect the time commitment and responsibilities of the role.</p> <p>Disclosure of fee structure for non-executive directors allows shareholders to assess if these directors are remunerated in an appropriate manner, for example, whether they are paid for taking on additional responsibilities and contributions, such as chairing committees.</p>	N	
E.3.14	Do the shareholders or the Board of Directors approve the remuneration of the executive directors and/or the senior executives?	<p>OECD PRINCIPLE VI. (D.4) The Board should fulfil certain key functions include aligning key executive and board remuneration with the longer term interests of the company and its shareholders.</p> <p>ICGN 2.3 (D) and (E) D. Selecting, remunerating, monitoring and where necessary replacing key executives and overseeing succession planning. E. Aligning key executives and Board remuneration with the longer term interest of the company and its shareholders.</p>	Y	DEFAULT
E.3.15	Do independent non-executives directors/commissioners receive options, performance shares or bonuses?	<p>UK CODE (JUNE 2010) (D.1.3) Levels of remuneration of non-executives directors should reflect the time commitment and responsibilities of the role. Remuneration for non-executives directors should not include share options or other performance-related elements. If, by exception, options are granted, shareholders approval should be sought in advance and any shares acquired by exercise of the options should be held until at least one year after the non-executives directors leaves the board. Holding of share options could be relevant to the determination of a non-executive director's independence (as set out in provision B.1.1).</p> <p>ASX CODE Box 8.2: Guidelines for non-executives director remuneration Companies may find it useful to consider the following when considering non-executive director remuneration: 1. Non-executives directors should normally be remunerated by way of fees, in the form of cash, noncash benefits, superannuation contributions or salary sacrifice into equity; they should not normally participate in schemes designed for the remuneration of executives. 2. Non-executives directors should not receive options or bonus payments. 3. Non-executives directors should not be provided with retirement benefits other than superannuation.</p>	N	
Internal Audit				

E.3.16	Does the company have a separate internal audit function?	<p>OECD PRINCIPLE VI (D) (7) Ensuring the integrity of the corporation's accounting and financial reporting systems, including the independent audit, and that appropriate systems of control are in place, in particular, systems for risk management, financial and operational control, and compliance with the law and relevant standards.</p> <p>Ensuring the integrity of the essential reporting and monitoring systems will require the board to set and enforce clear lines of responsibility and accountability throughout the organisation. The board will also need to ensure that there is appropriate oversight by senior management. One way of doing this is through an internal audit system directly reporting to the board.</p>	Y	DEFAULT
E.3.17	Is the head of internal audit identified or, if outsourced, is the name of the external firm disclosed?	<p>Companies often disclose that they have an internal audit but, in practice, it is not uncommon for it to exist more in form than in substance. For example, the in-house internal audit may be assigned to someone with other operational responsibilities. As internal audit is unregulated, unlike external audit, there are firms providing outsourced internal audit services which are not properly qualified to do so. Making the identify of the head of internal audit or the external service provider public would provide some level of safeguard that the internal audit is substantive.</p>	Y	RSIC's internal audit is performed by its parent company's (Meralco) Internal Audit Department
E.3.18	Does the appointment and removal of the internal auditor require the approval of the Audit Committee?	<p>OECD PRINCIPLE VI (D) (7)</p> <p>In some jurisdictions it is considered good practice for the internal auditors to report to an independent Audit Committee of the board or an equivalent body which is also responsible for managing the relationship with the external auditor, thereby allowing a coordinated response by the board.</p> <p>WORLD BANK PRINCIPLE 6 (VI.D.7.9) Does the internal auditors have direct and unfettered access to the board of directors and its independent Audit Committee?</p> <p>ASX Principles on CG</p> <p>"...companies should consider a second reporting line from the internal audit function to the board or relevant committee." Under the ASX Principles it is also recommended that the Audit committee have access to internal audit without the presence of management, and that "the audit committee should recommend to the board the appointment and dismissal of a chief internal audit executive."</p>	Y	DEFAULT
Risk Oversight				Source: Code of Ethics, Page 6 - 7

E.3.19	Does the company disclose the internal control procedures/risk management systems it has in place?	<p>OECD PRINCIPLE (VI) (D) (7) Ensuring the integrity of the corporation's accounting and financial reporting systems, including the independent audit, and that appropriate system of control are in place, in particular, systems for risk management, financial and operational control, and compliance with the law and relevant standards.</p>	Y	<p>VI. Risk Management and Internal Control 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...</p> <p>http://republic-insurance.ph/wp-content/uploads/2013/04/RSIC-Code-of-Ethics.pdf Source: Corporate Governance Manual, Page 9 - 10</p> <p>6.0. Internal Control Responsibilities of the Company 6.1 The control environment of the Company consists of: 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;...</p> <p>http://republic-insurance.ph/wp-content/uploads/2013/04/RSIC-Corporate-Governance-Manual.pdf Source: Annual Report, Audited Financial Statements, Page 42</p>
E.3.20	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?	<p>UK CODE (JUNE 2010) C.2.1 The board should, at least annually, conduct a review of the effectiveness of the company's risk management and internal control systems and should report to shareholders that they have done so. The review should cover all material controls, including financial, operation and compliance controls.</p>	Y	<p>Excerpt from the Minutes of the 2014 Annual Stockholders' Meeting of RSIC: "The Chairman stated that copies of the audited financial statements for the period ended December 31, 2013 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: 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, 2013."</p> <p>http://republic-insurance.ph/wp-content/uploads/2015/06/Republic-2014-Annual-Report.pdf Source: Annual Report, Key Risks - Governance, Page 14</p>
E.3.21	Does the company disclose how key risks are managed?	<p>OECD PRINCIPLE V (A) (6) Foreseeable risk factors. Disclose of risk is most effective when it is tailored to the particular industry in question. Disclosure about the system for monitoring and managing risk in increasingly regarded as good practice.</p>	Y	<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/2015/06/Republic-2014-Annual-Report.pdf</p>

E.3.22	Does the Annual Report contain a statement from the board of directors/commissioners or Audit Committee commenting on the adequacy of the company's internal controls/risk management systems?	<p>OECD PRINCIPLE 6 (VI) (D) (7) Ensuring the integrity of the corporation's accounting and financial reporting systems, including the independent audit, and that appropriate systems of control are in place, in particular, systems for risk management, financial and operational control, and compliance with the law and relevant standards.</p> <p>In some jurisdictions it is considered good practice for the internal auditors to report to an independent audit committee of the board or an equivalent body which is also responsible for managing the relationship with the external auditor, thereby allowing a coordinated response by the board. It should also be regarded as good practice for this committee, or equivalent body, to review and report to the board the most critical accounting policies which are the basis for financial reports. However, the board should retain final responsibility for ensuring the integrity of the reporting systems. Some countries have provided for the chair of the board to report on the internal control process.</p>	N	
E.4 People on the Board				
Board Chairman				
E.4.1	Do different persons assume the roles of chairman and CEO?	<p>OECD PRINCIPLE VI (E) The board should be able to exercise objective independent judgement on corporate affairs.</p>	Y	<p>Source: Annual Report, Board of Directors, Page 29</p> <p>http://republic-insurance.ph/wp-content/uploads/2015/06/Republic-2014-Annual-Report.pdf</p>
E.4.2	Is the chairman an independent director/commissioner?	<p>In a number of countries with single tier board systems, the objectivity of the board and its independence from management may be strengthened by the separation of the role of chief executive and chairman, or, if these roles are combined, by designating a lead non-executive director to convene or chair sessions of the outside directors. Separation of the two posts may be regarded as good practice, as it can help to achieve an appropriate balance of power, increase accountability and improve the board's</p>	Y	<p>Source: Annual Report, Board of Directors, Page 29</p> <p>MONICO V. JACOB, 69 Chairman/ Independent Director (since January 2007) 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...</p> <p>http://republic-insurance.ph/wp-content/uploads/2015/06/Republic-2014-Annual-Report.pdf</p>

E.4.3	Has the chairman been the company CEO in the last three years?	<p>capacity for decision making independent of management.</p> <p>UK CODE (JUNE 2010) A.3.1 The chairman should on appointment meet the independent criteria set out in B.1.1 below. A chief executive should not go on to be chairman of the same company. If, exceptionally, a board decides that a chief executive should become chairman, the board should consult major shareholders in advance and should set out its reasons to shareholders at the time of the appointment and in the next Annual Report.</p> <p>ASX Code Recommendation 3.2 The chief executive officer should not go on to become chair of the same company. A former chief executive officer will not qualify as an "independent" director unless there has been a period of at least three years between ceasing employment with the company and serving on the board.</p>	N	
E.4.4	Are the role and responsibilities of the chairman disclosed?	<p>ICGN: 2.5 Role of the Chair The chair has the crucial function of setting the right context in terms of board agenda, the provision of information to directors, and open boardroom discussions, to enable the directors to generate the effective board debate and discussion and to provide the constructive challenge which the company needs. The chair should work to create and maintain the culture of openness and constructive challenge which allows a diversity of views to be expressed...The chair should be available to shareholders for dialogue on key matters of company's governance and where shareholders have particular concerns.</p>	Y	<p>Source: Corporate Governance Manual, Page 8</p> <p>5.0 Chairman of the Board In addition to the duties provided in the By-Laws of the Company, the responsibilities of the Chairman in relation to the Board shall include the following: 5.1 To ensure that the meetings of the Board are held in accordance with the By-Laws or as the Chairman may deem necessary. 5.2 To supervise the preparation of the agenda of the meeting in coordination with the Corporate Secretary, taking into consideration the suggestions of the directors and Management; and 5.3 To maintain qualitative and timely line of communication and information between the Board and Management. If the position of Chairman and President are not separate and matters for resolutions of the Board involve the accountability of Management and there is a perceived conflict of interest in relation thereto, the Chairman must appoint a lead director from among the independent directors to temporarily preside in the meeting to ensure the independence of the Board.</p> <p>http://republic-insurance.ph/wp-content/uploads/2013/04/RSIC-Corporate-Governance-Manual.pdf</p>
Skills and Competencies				
E.4.5	Does at least one non-executive director/commissioner have prior working experience in the major sector that the company is operating in?	<p>ICGN: 2.4.3 Independence Alongside appropriate skill, competence and experience, and the appropriate context to encourage effective behaviours, one of the principal features of a well-governed corporation is the exercise by its board of directors of independent judgement, meaning judgement in the best interests of the corporation, free of any external influence on any individual director, or the board as a whole. In order to provide this independent judgement, and to generate confidence that independent judgement is being applied, a board should include a strong presence of independent non-executive directors with appropriate competencies including key industry sector knowledge and experience. There should be at least a majority of independent directors on each board.</p>	N	
Source: Corporate Governance Manual, Page 4				

E.4.6	Does the company disclose a board of directors/commissioners diversity policy?	<p>ASX Code Recommendation 3.2 Companies should establish a policy concerning diversity and disclose the policy or a summary of that policy. The policy should include requirements for the board to establish measurable objectives for achieving gender diversity and for the board to assess annually both the objectives and progress in achieving them.</p> <p>Regulations and codes of corporate governance in many developed markets now incorporate board diversity as a consideration in board composition.</p>	Y	<p>1.0 Composition of the Board 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. 1.2 The Board shall have at least (2) independent directors. 1.3 The Chairman of the Board shall be a non- executive director. 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.5 Board Performance				
Directors Development				
E.5.1	Does the company have orientation programmes for new directors/commissioners?	This items is in most codes of corporate governance.	Y	<p>Source: Corporate Governance Manual, Page 26</p> <p>16.2 Duties and responsibilities of the Corporate Secretary 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.5.2	Does the company have a policy that encourage directors/ commissioners to attend on-going or continuous professional education programmes?	<p>OECD PRINCIPLE VI (E) (3) Board members should be able to commit themselves effectively to their responsibilities.</p> <p>In order to improve board practices and the performance of its members, an increasing number of jurisdictions are now encouraging companies to engage in board training and volutary self-evaluation that meets the needs of the individual company. This might include that board members acquire appropriate skills upon appointment, and thereafter remain abreast of relevant new laws, regulations, and changing commercial risks through in-house training and external courses.</p>	Y	<p>Source: Corporate Governance Manual, Page 11</p> <p>7.0 Qualifications v. Must have attended a special seminar on corporate governance conducted by a training provider accredited by the Insurance Commission</p> <p>http://republic-insurance.ph/wp-content/uploads/2013/04/RSIC-Corporate-Governance-Manual.pdf</p>
CEO/Executives Management Appointment and Performance				
E.5.3	Does the company disclose how the board of directors/ commissioners plans for the succession of the CEO/Managing Director/President and key management?	<p>OECD PRINCIPLE VI (D) (3) Selecting, compensating, monitoring and, when necessary, replacing key executives and overseeing succession planning.</p> <p>In two tier board systems the supervisory board is also responsible for appointing the management board which will normally comprise most of the key executives.</p>	Y	<p>Source: Corporate Governance Manual, Page 5, 10</p> <p>3.0 Duties and Responsibilities of the Board 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. 3.9 Plan succession, including appointing, training, fixing the compensation of, and where appropriate, replacing senior management. 6.2. The Board's internal control mechanisms for the Board's oversight responsibility may include: 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. 11.4 Compensation and Remuneration Committee d. Shall review management succession plan</p> <p>http://republic-insurance.ph/wp-content/uploads/2013/04/RSIC-Corporate-Governance-Manual.pdf</p>

E.5.4	Does the board of directors/commissioners conduct an annual performance assessment of the CEO/Management Director/President?	<p>OECD PRINCIPLE VI (D) (2). Monitoring the effectiveness of the company's governance practices and making changes as needed.</p> <p>Monitoring of governance by the board also includes continuous review of the internal structure of the company to ensure that there are clear lines of accountability for management throughout the organisation. In addition to requiring the monitoring and disclosure of corporate governance practices on a regular basis, a number of countries have moved to recommend or indeed mandate self-assessment by boards of their performance as well as performance reviews of individual board members and the CEO/Chairman.</p>	N	
Board Appraisal				
E.5.5	Is an annual performance assessment conducted to the board of directors/commissioners?	OECD PRINCIPLE VI (D) (2)	N	
E.5.6	Does the company disclose the process followed in conducting the board assessment?		N	
E.5.7	Does the company disclose the criteria used in the board assessment?		N	
Director Appraisal				
E.5.8	Is an annual performance assessment conducted of individual director/commissioner?	OECD PRINCIPLE VI (D) (2)	N	
E.5.9	Does the company disclose the process followed in conducting the director/commissioner assessment?		N	
E.5.10	Does the company disclose the criteria used in the director/commissioner assessment?		N	
Committee Appraisal				
E.5.11	Is an annual performance assessment conducted of the board of directors/commissioners committees?	<p>UK CODE (JUNE 2010) B.6 Evaluation: The board should undertake a formal and rigorous annual evaluation of its own performance and that of its committees and individual directors.</p>	N	