

ASEAN CORPORATE GOVERNANCE SCORECARD (ACGS) QUESTIONNAIRE

(Property of ACMF)

Version: 2014

**LEVEL 2
BONUS**

| Rights of Shareholders | | | Yes or No | Points | Remarks |
|---|---|--|-----------|--------|---|
| A.1 Right to participate effectively in and vote in general shareholders meeting and should be informed of the rules, including voting procedures, that govern general shareholders meeting. | | | | | |
| A.1.1(B) | Does the company allow the use of secure electronic voting in absentia at the general meetings of shareholders? | <p>OECD Principle II (C) (4) Shareholders should be able to vote in person or in absentia, and equal effect should be given to votes whether cast in person or in absentia.</p> | | | |
| B. Equitable treatment of shareholders | | | | | |
| B. 1 Notice of AGM | | | | | |
| B.1.1 (B) | Does the company release its notice of AGM (with detailed agendas, and explanatory circulars), as announced to the Exchange, at least 28 days before the date of the meeting? | <p>OECD Principle II (C) (1) Shareholders should be furnished with sufficient and timely information concerning the date, location and agenda of general meetings, as well as full and timely information regarding the issues to be decided at the meeting. (3) Effective shareholders participation in key corporate governance decisions, such as the nomination and election of board members, should be facilitated.</p> <p>OECD Principle III (A)</p> <p>ICGN 8.3.2 Shareholders participation in governance Shareholders should have the right to participate in key corporate governance decisions, such as the right to nominate, appoint and remove directors on an individual basis and also the right to appoint external auditors.</p> <p>ICGN 8.4.1 Shareholders ownership rights The exercise of ownership rights by all shareholders should be facilitated, including giving shareholders timely and adequate notice of all matters proposed for shareholder vote.</p> <p>CLSA-ACGA (2010) CG Watch 2010 - Appendix 2. (I) CG rules and practices (25) Do company release their AGM notices (with detailed agendas and explanatory circulars) at least 28 days before the date of the meeting?</p> | Y | 1 | <p>Source: Corporate Governance Manual, Page 34 - 35</p> <p>3.0 Constructive use of the AGM (Annual General Meeting) g. Notices, annual reports including the latest annual Financial Statements of the company shall be given to stockholders at least two (2) weeks prior to the AGM</p> <p>http://republic-insurance.ph/wp-content/uploads/2013/04/RSIC-Corporate-Governance-Manual.pdf</p> |
| C. Roles of Stakeholders | | | | | |
| C.1 The right of stakeholders that are established by law or through mutual agreements are to be respected | | | | | |
| C.1.1 (B) | Does the company practice integrated report on its annual reports? | <p>International <IR> Framework - DRAFT, IIRC Council Item 3b Meeting of 5 December 2013</p> <p>"Integrated Reporting <IR> promotes a more cohesive and efficient approach to corporate reporting and aims to improve the quality of information available to providers of financial capital to enable a more efficient and productive allocation of capital. The IIRC's vision is a world in which integrated thinking is embedded within mainstream business practice in the public and private sectors, facilitated by <IR> as the corporate reporting norm."</p> | | | |
| D. Disclosure and transparency | | | | | |
| D.1 Quality of Annual Report | | | | | |
| D.1.1 (B) | Are the audited annual financial report/statement released within 60 days from the financial year end? | <p>OECD Principle V (C) OECD Principle V (E) ICGN 7.2 Timely disclosure ICGN 7.3 Affirmation of financial statements The board of directors and the corporate officers of the company should affirm at least annually the accuracy of the company's financial statement or financial accounts.</p> | | | |
| D.1.2 (B) | Does the company disclose details of remuneration of the CEO? | | | | |

| E. Responsibilities of the Board | | | | | |
|--------------------------------------|---|--|---|---|---|
| E.1 Board Competencies and Diversity | | | | | |
| E.1.1 (B) | Does the company have at least one female independent director/commissioner? | ICGN 2.4.1 Skills and experience The board should consist of directors with the requisite range of skills, competence, knowledge, experience and approach, as well as a diversity of perspectives, to set the context for appropriate board behaviours and to enable it to discharge its duties and responsibilities effectively. | | | |
| E.2 Nominating Committee | | | | | |
| E.2.1 (B) | Does the Nominating Committee comprise entirely of independent directors/commissioners? | ICGN 2.4.4 Composition of board committees The members of these key board committees should be solely non-executive directors, and in the case of the audit and remuneration committees, solely independent directors. All members of the nominations committees should be independent from management and at least majority should be independent from dominant owners. | | | |
| E.2.2 (B) | Does the Nominating Committee undertake the process of identify the quality of directors aligned with the company's strategic directions? | | Y | 1 | Source: Corporate Governance Manual, Page 10 7.0 Qualifications 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: b. The Nomination Committee may consider and recommend to the Board such other qualifications which are now or may hereafter be provided under existing laws and regulations or any amendments thereto. 11.1 Nomination Committee a. Shall be composed of at least three (3) directors b. Shall review and evaluate the qualifications of all persons nominated to Board as well as those nominated to other positions requiring appointment by the Board of Directors. It should prepare a description of the roles and capabilities required of a particular appointment.... http://republic-insurance.ph/wp-content/uploads/2013/04/RSIC-Corporate-Governance-Manual.pdf |
| E.3 Board Appoinment and Re-Election | | | | | |
| E.3.1 (B) | Does the company use professional search firms or other external sources of of candidates (such as director databases set up by director or shareholders bodies) when searching for candidates to the board of directors/commissioners? | WORLD BANK PRINCIPLE 6 (VI.1.21) Are boards known to hire professional search firms when proposing candidates to the board? | | | |
| E.4 Board Structure & Composition | | | | | |
| E.4.1(B) | Do independent non-executive directors/commissioners make up more than 50% of the board of directors/commissioners? | | | | |
| E.5 Board Performance | | | | | |
| E.5.1(B) | Does the company have a separate level Risk Committee? | International Financial Corporation's Global Corporate Governance Forum Publication: When Do Companies Need a Board-level risk Management Committee?(volume 31, pp.11, March 2013) Benefits of a Board Level Risk Committee: 1. elevate risk oversight to the highest level in the company; 2. strengthen the quality of risk management; 3. inculcate a risk culture and risk-management environment to mitigate and manage risks effectively across the organization; 4. established a platform for continuous assessment of risks in light of the changing internal and external environments; 5. improve communication among the board, management, and other stakeholders about risk management; and 6. demonstrate the internal and external stakeholders the company's commitment to risk management | Y | 1 | Source: 2014 Annual Report, Committees, Page 33 Audit and Risk Management Chairman - Mr. Benito T. de la Cruz Member - Atty. Monico V. Jacob Member - Ms. Betty C. Siy-Yap http://republic-insurance.ph/wp-content/uploads/2016/06/2015-Republic-Annual-Report.pdf Source: Corporate Governance Manual, Board Committees, Page 20 11.0 Board Committees 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. 11.3 Risk Oversight Committee a. Shall be composed of at least three (3) directors. b. Shall oversee Management activities in managing credit, market, liquidity, operations, legal, underwriting and other risks of the Company. This function shall include regular receipt from Management of information on risk management activities. http://republic-insurance.ph/wp-content/uploads/2013/04/RSIC-Corporate-Governance-Manual.pdf |