

ASEAN CORPORATE GOVERNANCE SCORECARD (ACGS) QUESTIONNAIRE

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Version: 2014

LEVEL 1

PART A: RIGHTS OF SHAREHOLDERS

A.1 Basic Shareholders Rights			Yes or No	Points	Remarks
A.1.1	Does the company pay (interim and final/annual) dividends in an equitable and timely manner; that is, all shareholders are treated equally and paid within 30 days after being (i) declared for interim dividends and (ii) approved by shareholders at general meetings for final dividends?	OECD Principle II: The Rights of Shareholders and Key Ownership Functions (A) Basic shareholder rights should include the right to, amongst others: (6) share in the profits of the corporation.	Y	1	Source: Minutes of Meeting of the Stockholders 2011, Page 2 "DECLARATION OF STOCK DIVIDEND The President reported the stock dividend declaration by Board of Directors in compliance with the minimum capitalization requirement of the Department of Finance Order No. 27- 2006 of One Hundred Seventy Five Million Pesos (Php 175,000,000.00) by the end of 2011 for ratification by the stockholders. Upon motion duly made and seconded, the stockholders approved the following resolutions: RESOLVED, as it is hereby resolved, that the stockholders of Republic Surety and Insurance Company, Incorporated (the "Company") authorize, as it hereby authorizes, the Company to declare stock dividends consisting of Five Hundred Thousand (500,000) shares at One Hundred Pesos (Php 100.00) per share, payable out of the unrestricted retained earnings of the company as of November 30, 2011, and payable to all stockholders of record as of such date." http://republic-insurance.ph/wp-content/uploads/2013/04/2011-Stockholders-Meeting-Minutes.pdf
A.2 Right to participate in decisions concerning fundamental corporate changes. <i>Do shareholders have the right to participate in:</i>					
A.2.1	Amendments to the company's constitution?	OECD Principle II (B) Shareholders should have the right to participate in, and to be sufficiently informed on, decisions concerning fundamental corporate changes such as: (1) amendments to the statutes, or articles of incorporation or similar governing documents of the company.	Y	1	DEFAULT
A.2.2	The authorisation of additional shares?	OECD Principle II (B): (2) the authorisation of additional shares.	Y	1	DEFAULT
A.2.3	The transfer of all or substantially all assets, which in effect results in the sale of the company?	OECD Principle II.(B): (3) extraordinary transactions, including the transfer of all or substantially all assets, that in effect result in the sale of the company.	Y	1	DEFAULT
A.3 Right to participate effectively in and vote in general shareholder meetings and should be informed of the rules, including voting procedures, that govern general shareholder meetings.					
A.3.1	Do shareholders have the opportunity, evidenced by an agenda, item to approve remuneration (fees, allowances, benefit-in-kind and other emoluments) or any increases in remuneration for the non-executive directors/commissioners?		Y	1	DEFAULT
A.3.2	Does the company provide non-controlling shareholders a right to nominate candidates for board of directors/commissioners?	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 of board members and key executives. The equity component of compensation schemes for board members and employees should be subject to shareholder approval.	N/A	0	Not applicable. Republic is a wholly-owned subsidiary of Meralco, thus having only one major shareholder.
A.3.3	Does the company allow shareholders to elect directors/commissioner individually?		Y	1	Source: Corporate Governance Manual, Page 30 1.0 Voting Right Stockholders shall have the right to elect, remove and replace directors and vote on certain corporate acts in accordance with the Corporation Code. Cumulative voting shall be used in the election of directors. http://republic-insurance.ph/wp-content/uploads/2013/04/RSIC-Corporate-Governance-Manual.pdf
A.3.4	Does the company disclose the voting and vote tabulation procedures used, declaring both before the meeting proceeds?	OECD Principle II (C) : Shareholders should have the opportunity to participate effectively and vote in general shareholder meetings and should be informed of the rules, including voting procedures, that govern general shareholder meetings.	N/A	0	Not applicable. Republic is a wholly-owned subsidiary of Meralco, thus having only one major shareholder.
A.3.5	Do the minutes of the most recent AGM record there was an opportunity allowing for shareholders to ask questions or raise issues?		N/A	0	Not applicable. Republic is a wholly-owned subsidiary of Meralco, thus having only one major shareholder.
Source: Minutes of Meeting of the Stockholders 2015, Page 2					

A.3.6	Do the minutes of the most recent AGM record questions and answers?	OECD Principle (C) : (2) Shareholders should have the opportunity to ask questions to the board, including questions to the relating to the annual external audit, to place items on the agenda of general meetings, and to propose resolutions, subject to reasonable limitations.	Y	1	The Chairman stated that copies of the audited financial statements for the period ended December 31, 2014 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, 2014." http://republic-insurance.ph/wp-content/uploads/2016/06/2015-AGM-Minutes-of-the-Meeting.pdf
A.3.7	Does the disclosure of the outcome of the most recent AGM include resolution(s)?		Y	1	Source: Minutes of Meeting of the Stockholders 2015, Page 2 The Chairman stated that copies of the audited financial statements for the period ended December 31, 2014 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, 2014." http://republic-insurance.ph/wp-content/uploads/2016/06/2015-AGM-Minutes-of-the-Meeting.pdf
A.3.8	Does the company disclose the voting results including approving, dissenting, and abstaining votes for each agenda item for the most recent AGM?		Y	1	Source: Minutes of Meeting of the Stockholders 2015, Page 3 ... The Chairman, on motion made by Ms. Betty C. Siy-Yap and seconded by Mr. Rafael L. Andrada, declared the nominees as duly elected directors of the corporation... http://republic-insurance.ph/wp-content/uploads/2016/06/2015-AGM-Minutes-of-the-Meeting.pdf
A.3.9	Does the company disclose the list of board members who attended the most recent AGM?		Y	1	Source: Minutes of Meeting of the Stockholders 2015, Page 3 ELECTION OF DIRECTORS The next item of business was the election of directors. The Chairman called for nominations and the following stockholders of the corporation were nominated: 1. Mr. Rafael L. Andrada 2. Mr. Pedro P. Benedicto, Jr. 3. Ms. Nadinee S. Chua 4. Ms. Melissa V. Vergel de Dios 5. Mr. Benito T. de la Cruz 6. Mr. Monico V. Jacob 7. Mr. Oscar S. Reyes 8. Ms. Betty C. Siy-Yap http://republic-insurance.ph/wp-content/uploads/2016/06/2015-AGM-Minutes-of-the-Meeting.pdf
A.3.10	Did the chairman of the board of the directors/commissioners attend the most recent AGM?		Y	1	Source: Minutes of Meeting of the Stockholders 2015, Page 1 CALL TO ORDER The Chairman, Mr. Monico V. Jacob, called the meeting to order and presided over the same. The minutes of the proceedings was recorded by Mr. Werhner V. Parel, Vice President, who was.. http://republic-insurance.ph/wp-content/uploads/2016/06/2015-AGM-Minutes-of-the-Meeting.pdf
A.3.11	Did the CEO/Managing Director/President attend the most recent AGM?	OECD Principle II (C); and ICGN 2.4.2: All directors need to be able to allocate sufficient time to the board to perform their responsibilities effectively, including allowing some leeway for occasions when greater than usual time demands are made.	Y	1	Source: Minutes of Meeting of the Stockholders 2015, Page 3 ELECTION OF DIRECTORS The next item of business was the election of directors. The Chairman called for nominations and the following stockholders of the corporation were nominated: 1. Mr. Rafael L. Andrada 2. Mr. Pedro P. Benedicto, Jr. 3. Ms. Nadinee S. Chua 4. Ms. Melissa V. Vergel de Dios 5. Mr. Benito T. de la Cruz 6. Mr. Monico V. Jacob 7. Mr. Oscar S. Reyes 8. Ms. Betty C. Siy-Yap http://republic-insurance.ph/wp-content/uploads/2016/06/2015-AGM-Minutes-of-the-Meeting.pdf
					Source: Minutes of Meeting of the Stockholders 2015, Page 3

A.3.12	Did the chairman of the Audit Committee attend the most recent AGM?		Y	1	<p>ELECTION OF DIRECTORS The next item of business was the election of directors. The Chairman called for nominations and the following stockholders of the corporation were nominated:</p> <ol style="list-style-type: none"> 1. Mr. Rafael L. Andrada 2. Mr. Pedro P. Benedicto, Jr. 3. Ms. Nadinee S. Chua 4. Ms. Melissa V. Vergel de Dios 5. Mr. Benito T. de la Cruz 6. Mr. Monico V. Jacob 7. Mr. Oscar S. Reyes 8. Ms. Betty C. Siy-Yap <p>http://republic-insurance.ph/wp-content/uploads/2016/06/2015-AGM-Minutes-of-the-Meeting.pdf Source: Annual Report, Committees, Page 33 http://republic-insurance.ph/wp-content/uploads/2016/06/2015-Republic-Annual-Report.pdf Source: Minutes of Meeting of the Stockholders 2015, Page 1</p>
A.3.13	Did the company organise their most recent AGM in an easy to reach location?	OECD Principle II (C)	Y	1	<p>The annual meeting of stockholders of Republic Surety and Insurance Company Inc., was held on Wednesday, May 6, 2015 at 10:00am, at Marikina Room, 14th Floor, Lopez Building, Ortigas Ave. Pasig City</p> <p>http://republic-insurance.ph/wp-content/uploads/2016/06/2015-AGM-Minutes-of-the-Meeting.pdf</p>
A.3.14	Does the company allow for voting in absentia?	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.	Y	1	DEFAULT
A.3.15	Did the company vote by poll (as opposed to by show of hands) for all resolutions at the most recent AGM?		N/A	0	Not applicable. Republic is a wholly-owned subsidiary of Meralco, thus having only one major shareholder.
A.3.16	Does the company disclose that it has appointed an independent party (scrutineers/inspectors) to count and/or validate the votes at the AGM?	OECD Principle II (C)	N/A	0	Not applicable. Republic is a wholly-owned subsidiary of Meralco, thus having only one major shareholder.
A.3.17	Does the company make publicly available by the next working day the result of the votes taken during the most recent AGM for all resolutions?	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.	N/A	0	Not applicable. Republic is a wholly-owned subsidiary of Meralco, thus having only one major shareholder.
A.3.18	Do companies provide at least 21 days notice for all resolutions?		N	0	
A.3.19	Does the company provide the rationale and explanation for each agenda item which require shareholders' approval in the notice of AGM/circulars and/or the accompanying statement?		N	0	
A.4 Markets for corporate control should be allowed to function in an efficient and transparent manner.					
A.4.1	In cases of mergers, acquisitions and/or takeovers requiring shareholders' approval, does the board of directors/commissioners of the offeree company appoint an independent party to evaluate the fairness of the transaction price?	OECD Principle II (E): Markets for corporate control should be allowed to function in an efficient and transparent manner. (1) The rules and procedures governing the acquisition of corporate control in the capital markets, and extraordinary transactions such as mergers, and sales of substantial portions of corporate assets, should be clearly articulated and disclosed so that investors understand their rights and recourse. Transactions should occur at transparent prices and under fair conditions that protect the rights of all shareholders according to their class.	N/A	0	Not applicable. Republic is a wholly-owned subsidiary of Meralco, thus having only one major shareholder.
A.5 The exercise of ownership rights by all shareholders, including institutional investors, should be facilitated.					
A.5.1	Does the company publicly disclose policy/practice to encourage shareholders including institutional shareholders to attend the general meetings or engagement with the Company?	OECD Principle II (F): The exercise of ownership rights by all shareholders, including institutional investors, should be facilitated.	N/A	0	Not applicable. Republic is a wholly-owned subsidiary of Meralco, thus having only one major shareholder.