

## ASEAN CORPORATE GOVERNANCE SCORECARD (ACGS) QUESTIONNAIRE

(Property of ACMF)

Version: 2014

### LEVEL 1

#### PART D: DISCLOSURE AND TRANSPARENCY

D.1 Transparent ownership structure			Yes or No	Points	Remarks
D.1.1	Does the information on shareholdings reveal the identity of beneficial owners, holding 5% shareholding or more?	<p><b>OECD Principles V: Disclose and Transparency (A) Disclosure should include, but not limited to, material information on:</b></p> <p>(3) Major share ownership and voting rights, including group structures, intra-group relations, ownership data, and beneficial ownership.</p> <p><b>ICGN 7.6 Disclosure of ownership</b> ...the disclosure should include a description of the relationship of the company to other companies in the corporate group, data on major shareholders and any others information necessary for a proper understanding of the company's relationship with its public shareholders.</p>	Y	1	Source: 2017 General Information Sheet <a href="http://republic-insurance.ph/wp-content/uploads/2018/06/2017-Amended-General-Information-Sheet.pdf">http://republic-insurance.ph/wp-content/uploads/2018/06/2017-Amended-General-Information-Sheet.pdf</a>
D.1.2	Does the company disclose the direct and indirect (deemed) shareholdings of major and/or substantial shareholders?		Y	1	Source: 2017 General Information Sheet <a href="http://republic-insurance.ph/wp-content/uploads/2018/06/2017-Amended-General-Information-Sheet.pdf">http://republic-insurance.ph/wp-content/uploads/2018/06/2017-Amended-General-Information-Sheet.pdf</a>
D.1.3	Does the company disclose the direct and indirect (deemed) shareholdings of directors (commissioners)?		Y	1	Source: 2017 General Information Sheet <a href="http://republic-insurance.ph/wp-content/uploads/2018/06/2017-Amended-General-Information-Sheet.pdf">http://republic-insurance.ph/wp-content/uploads/2018/06/2017-Amended-General-Information-Sheet.pdf</a>
D.1.4	Does the company disclose the direct and indirect (deemed) shareholdings of senior management?		Y	1	Source: 2017 General Information Sheet <a href="http://republic-insurance.ph/wp-content/uploads/2018/06/2017-Amended-General-Information-Sheet.pdf">http://republic-insurance.ph/wp-content/uploads/2018/06/2017-Amended-General-Information-Sheet.pdf</a>
D.1.5	Does the company disclose details of the parent/holding company, subsidiaries, associates, joint ventures and special purpose enterprises/ vehicles (SPEs)/ (SPVs)?		N/A	0	
<b>D.2 Quality of Annual Report</b>					
<i>Does a company's annual report disclose the following items :</i>					
D.2.1	Key risk	<p><b>"OECD Principles V (A):</b></p> <p>(1) The financial and operating results of the company; (2) Company objectives, including ethics, environment, and other public policy commitments; (3) Major share ownership and voting</p>	Y	1	Source: 2017 Financial Statements <a href="http://republic-insurance.ph/wp-content/uploads/2018/06/2017-Financial-Statements-Annual-Report.pdf">http://republic-insurance.ph/wp-content/uploads/2018/06/2017-Financial-Statements-Annual-Report.pdf</a>
D.2.2	Corporate objectives		Y	1	Source: Company Website <a href="http://republic-insurance.ph/the-company/">http://republic-insurance.ph/the-company/</a>
D.2.3	Financial performance indicators		Y	1	Source: 2017 Financial Statements <a href="http://republic-insurance.ph/wp-content/uploads/2018/06/2017-Financial-Statements-Annual-Report.pdf">http://republic-insurance.ph/wp-content/uploads/2018/06/2017-Financial-Statements-Annual-Report.pdf</a>
D.2.4	Non-financial performance indicators		Y	1	Source, Annual Report, President's Message, Page 9 <a href="http://republic-insurance.ph/wp-content/uploads/2017/06/2016-Annual-Report.pdf">http://republic-insurance.ph/wp-content/uploads/2017/06/2016-Annual-Report.pdf</a>
					Source: By-Laws

D.2.5	Dividend policy	rights, including group structures, intra-group relations, ownership data, beneficial ownership; (4) Remuneration policy for members of the board and key executives, including their qualifications, the selection process, other company directorships and whether they are regarded as independent by the board; (6) Foreseeable risk factors, including risk management system; (7) Issues regarding employees and other stakeholders; (8) Government structure and policies, in particular, the content of any corporate governance code or policy and the process by which it is implemented.	Y		Article VIII  <a href="http://republic-insurance.ph/wp-content/uploads/2013/07/By-Laws.pdf">http://republic-insurance.ph/wp-content/uploads/2013/07/By-Laws.pdf</a>
D.2.6	Details of whistle-blowing policy	<b>OECD Principles V (E):</b> Channels for disseminating information should provide for equal, timely and cost-efficient access to relevant information by users. <b>ICGN 2.4 Composition and structure of the board</b> <b>ICGN 2.4.1 Skills and experience</b> <b>ICGN 2.4.3 Independence</b> <b>ICGN 5.0 Remuneration</b> <b>ICGN 5.4 Transparency</b> <b>UK Corporate Governance Code (2010)</b> A.1.2 - the number of meetings of the board and those committees and individual attendance by directors. <b>CLSA-ACGA (2010) CG Watch 2010 - Appendix 2</b> (I) CG rules and practices (19) Disclose the exact remuneration of individual directors.	Y	1	Source: Code of Ethics, Page 8-9  IX. Implementation and Monitoring <sup>3</sup> . Organization Heads have the responsibility for the monitoring, ensuring, and enforcing compliance with this Code within their area of jurisdiction. The Organization Heads shall also be responsible for reporting noncompliance with this Code to their hierarchy whenever appropriate, including taking or implementing disciplinary actions after proper exercise of due process. <sup>4</sup> Our Company's directors, officers and employees have the duty to Report any observed violations of this Code and to communicate the same to our supervisors and immediate Heads, when appropriate. Our Company shall take steps to ensure the protection of those who report violations in good faith. On the other hand, our Company shall impose sanctions on those who attempt to conceal or hamper the investigation of any violation of this Code. Our Company shall take all reports of potential violations of this Code seriously and are committed to confidentiality and exercise of due process for the investigation of allegations. Employees who are under investigation for potential violation of this Code will have an opportunity to be heard prior to any final decision of our Company. 5. Any administrative investigation or penalty imposed under the provisions of this Code shall be independent of, and without prejudice to, any other legal action that may be instituted against the party concerned under existing laws and regulations.  <a href="http://republic-insurance.ph/wp-content/uploads/2013/04/RSIC-Code-of-Ethics.pdf">http://republic-insurance.ph/wp-content/uploads/2013/04/RSIC-Code-of-Ethics.pdf</a>
D.2.7	Biographic details (at least age, qualifications, date of first appointment, relevant experience, and any other directorships of listed companies) of directors/commissioners		Y	1	Source: Annual Report, Board of Directors, Page 29  <a href="http://republic-insurance.ph/wp-content/uploads/2017/06/2016-Annual-Report.pdf">http://republic-insurance.ph/wp-content/uploads/2017/06/2016-Annual-Report.pdf</a>
D.2.8	Training and/or continuing education programme attended by each director/commissioner		N	0	
D.2.9	Number of board of directors/commissioners meetings held during the year		Y	1	Source: 2017 General Information Sheet  <a href="http://republic-insurance.ph/wp-content/uploads/2018/06/2017-Amended-General-Information-Sheet.pdf">http://republic-insurance.ph/wp-content/uploads/2018/06/2017-Amended-General-Information-Sheet.pdf</a>
D.2.10	Attendance details of each director/commissioner in respect of meetings held		Y	1	Source: Annual Report, Board Meetings, Page 32  <a href="http://republic-insurance.ph/wp-content/uploads/2017/06/2016-Annual-Report.pdf">http://republic-insurance.ph/wp-content/uploads/2017/06/2016-Annual-Report.pdf</a>
D.2.11	Details of remuneration of each member of the board of directors/commissioners		N	0	
<b>Corporate Governance Confirmation Statement</b>					Source: Annual Report, Corporate Governance, Page 23

D.2.12	Does the Annual Report contain a statement confirming the company's full compliance with the code of corporate governance and where there is non-compliance, identity and explain reasons for each such issue?	<p><b>OECD PRINCIPLE V (A) (8)</b>  <b>UK CODE (JUNE 2010): Listing Rules</b>  9.8.6 R (for UK incorporated companies) and 9.8.7 R (for overseas incorporated companies) state that in the case of a company that has a Premium listing of equity shares, the following items must be included in its Annual Report and accounts: a statement of how the listed company has applied the Main Principles set out in the UK CG Code, in a manner that would enable shareholders to evaluate how the principles have been applied; a statement as to whether the listed company has complied throughout the accounting period with all relevant provisions set out in the UK CG Code; or not complied throughout the accounting period with all relevant provisions set out in the UK CG Code, and if so, setting out:  (i) those provisions, if any, it has not complied with;  (ii) in the case of provisions whose requirements are of continuing nature, the period within which, if any, it did not comply with some or all of those provisions; and  (iii) the company's reasons for non-compliance.  <b>ASX CODE:</b>  Under ASX Listing Rule 4.10.3, companies are required to provide a statement in their Annual report disclosing the extent to which they have followed the Recommendations in the reporting period. Where companies have not followed all the Recommendations, they must identify the Recommendations that have not been followed and give reasons for not following them. Annual Reporting does not diminish the company's obligation to provide disclosure under ASX Listing Rule 3.1.</p>	Y	1	<p>At Republic, our Board of Directors, officers, managers and employees commit to the fundamental principles of sound corporate governance and acknowledge that these are necessary components of a robust strategic business management that will further enhance the value of our Company to all stakeholders involved. Our Manual on Corporate Governance, available for download on our corporate website, is adopted pursuant to Securities and Exchange Commission (SEC) Memorandum Circular No. 6, series of 2009 (Revised Code of Corporate Governance) issued on July 15, 2009, as well as Insurance Commission (IC) Circular Letter 31-2005 issued September 26, 2005, in order to achieve policyholder and market investor's confidence and sustain the growth of the insurance industry, ultimately contributing to the country's economic well-being.</p> <p><a href="http://republic-insurance.ph/wp-content/uploads/2017/06/2016-Annual-Report.pdf">http://republic-insurance.ph/wp-content/uploads/2017/06/2016-Annual-Report.pdf</a></p>
D.3	<b>Disclosure of related party transactions (RPT)</b>				Source: Corporate Governance Manual
D.3.1	Does the company disclose its policy covering the review and approval of material/significant RPTs?	<p><b>OECD Principles V: Disclosure and Transparency</b>  (A) Disclosure should include, but not limited to, material information on:  (5) Related party transactions</p>	Y	1	<p>3.0 Duties and Responsibilities of the Board (Page 5) 3.15  Review and approve material transactions not in the company's ordinary course of business. 6.2. The Board's internal control mechanisms for the Board's oversight responsibility may include:(pg. 10) f. Review of the Company's personnel and human resource policies and sufficiency, conflict of interest situations, changes in the compensation plan for employees and succession plan for officers and management.</p> <p><a href="http://republic-insurance.ph/wp-content/uploads/2013/04/RSIC-Corporate-Governance-Manual.pdf">http://republic-insurance.ph/wp-content/uploads/2013/04/RSIC-Corporate-Governance-Manual.pdf</a></p>
D.3.2	Does the company disclose the name of the related party and relationship for each material/significant RPT?	<p><b>ICGN 2.11.1 Related party transactions</b>  The company should disclose details of all material related party transactions in its Annual Report.</p>	Y	1	<p>Source: 2017 Financial Statements, page 44-45</p> <p><a href="http://republic-insurance.ph/wp-content/uploads/2018/06/2017-Financial-Statements-Annual-Report.pdf">http://republic-insurance.ph/wp-content/uploads/2018/06/2017-Financial-Statements-Annual-Report.pdf</a></p>
D.3.3	Does the company disclose the nature and value for each material/significant RPT?		Y	1	<p>Source: 2017 Financial Statements, page 44-45</p> <p><a href="http://republic-insurance.ph/wp-content/uploads/2018/06/2017-Financial-Statements-Annual-Report.pdf">http://republic-insurance.ph/wp-content/uploads/2018/06/2017-Financial-Statements-Annual-Report.pdf</a></p>

**D.4 Directors and commissioners dealings in shares of the company**

D.4.1	Does the company disclose trading in the company's shares by insiders?	<p><b>OECD Principles V (A):</b> (3) Major share ownership and voting rights</p> <p><b>ICGN 3.5 Employee share dealing</b> Companies should have clear rules regarding any trading by directors and employees in the company's own securities.</p> <p><b>ICGN 5.5 Share ownership</b> Every company should have and disclose a policy concerning ownership of shares of the company by senior managers and executive directors with the objective of aligning the interests of these key executives with those of shareholders.</p>	N/A	0	Not applicable. Republic is a wholly-owned subsidiary of Meralco, thus having only one major shareholder.
<b>D.5 External auditor and Auditor Report</b>					
D.5.1	Are audit fees disclosed?	<p><b>OECD Principle V (C):</b> An annual audit should be conducted by an independent, competent and qualified, auditor in order to provide an external and objective assurance to the board and shareholders that the financial statements fairly represent the financial position and performance of the company in all material respects.</p>	Y	1	<p>Source: SGV – Engagement letter</p> <p>We estimate our audit fees for this service to be Four Hundred Fifty Thousand Pesos only (P450,000), exclusive of out of pocket expenses and of the 12% value added tax (VAT) on general professional partnership. As a general professional partnership, please be advised that income payments to SGV &amp; Co. remain exempt from withholding taxes.</p> <p><a href="http://republic-insurance.ph/wp-content/uploads/2018/06/2017-Audit-Fees.pdf">http://republic-insurance.ph/wp-content/uploads/2018/06/2017-Audit-Fees.pdf</a></p>
<b>Where the same audit firm is engaged for both audit and non-audit services</b>		<b>OECD Principle V (D):</b>			
D.5.2	Are the non-audit fees disclosed?	External auditors should be accountable to the shareholders and owe a duty to the company to exercise due professional care in the conduct of the audit.	N/A	0	
D.5.3	Does the non-audit fee exceed the audit fees?	<p><b>ICGN 6.5 Ethical standards (Audit)</b> The auditors should observe high-quality auditing and ethical standards. To limit the possible risk of possible conflicts of interest, non-audit services and fees paid to auditors for non-audit services should be both approved in advance by the audit committee and disclosed in the Annual Report.</p>	N/A	0	
<b>D.6 Medium of communications</b>					
Does the company use the following modes of communications?					
D.6.1	Quarterly reporting	<p><b>OECD Principle V (E):</b> Channels for disseminating information should provide for equal, timely and cost-efficient access to relevant information by users.</p>	Y	1	<p>Source: Annual Report, Governance Compliance, Page 24</p> <p>Republic has consistently complied with the disclosure and reportorial requirements of the Insurance Commission (IC). In 2016, these included...</p> <p><a href="http://republic-insurance.ph/wp-content/uploads/2017/06/2016-Annual-Report.pdf">http://republic-insurance.ph/wp-content/uploads/2017/06/2016-Annual-Report.pdf</a></p>
D.6.2	Company website	<p><b>ICGN 7.1 Transparent and open communication</b> Every company should aspire to transparent and open communication about its aims, its challenges, its achievements and its failures.</p> <p><b>ICGN 7.2 Timely disclosure</b> Companies should disclose relevant and material information concerning themselves on a timely basis, in particular meeting market guidelines where they exist, so as to follow investors to make informed decisions about the acquisition, ownership obligations and rights. and</p>	Y	1	<a href="http://republic-insurance.ph/">http://republic-insurance.ph/</a>
D.6.3	Analyst's briefing		N/A	0	

D.6.4	Media briefings/press conferences	sales of shares.	N/A	0	
<b>D.7 Timely filing/release of annual/financial reports</b>					
D.7.1	Are the audited annual financial report/ statement released within 120 days from the financial year end?	OECD Principle V (C): OECD Principle V (E) OECD Principle V-(A).	Y	1	Source: Website, External Auditor, 2017 Report of Independent Auditors <a href="http://republic-insurance.ph/wp-content/uploads/2018/06/2017-Report-of-Independent-Auditor.pdf">http://republic-insurance.ph/wp-content/uploads/2018/06/2017-Report-of-Independent-Auditor.pdf</a>
D.7.2	Is the annual report released within 120 days from the financial year end?		N	0	
D.7.3	Is the true and fairness/fair representation of the annual financial statement/reports affirmed by the board of directors/commissioners and/or the relevant officers of the company?	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 statements or financial accounts.	Y	1	Source: 2017 Financial Statements <a href="http://republic-insurance.ph/wp-content/uploads/2018/06/2017-Financial-Statements-Annual-Report.pdf">http://republic-insurance.ph/wp-content/uploads/2018/06/2017-Financial-Statements-Annual-Report.pdf</a> Source: Minutes of Meeting of the Stockholders 2017, Page 2  The Chairman stated that copies of the audited financial statements for the period ended December 31, 2016 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, 2016."  <a href="http://republic-insurance.ph/wp-content/uploads/2018/06/2017-Stockholders-Meeting.pdf">http://republic-insurance.ph/wp-content/uploads/2018/06/2017-Stockholders-Meeting.pdf</a>
<b>D.8 Company website</b>					
<i>Does the company have a website disclosing up-to-date information on the following:</i>					
D.8.1	Business operations	OECD Principle V (A)  OECD Principle V (A)  ICGN 7.1 Transparent and open communication  ICGN 7.2 Timely disclosure	Y	1	Source: Website  Republic Surety & Insurance Co., Inc. (Republic), is owned by Pioneer Insurance & Surety Corporation (Pioneer) and Manila Electric Company (Meralco). In December 2017, Pioneer acquired a 51% equity interest in Republic, with Meralco's interest at 49%. Republic shall continue to write non-life insurance products for Property, General Accident Lines, Marine, Motor, Surety, Homeowner's and other packages. Republic aims to be a major player in the local insurance industry; a company guided by its core values. Mr. Gerry P. Castañeda, President of Republic is poised to propel the company to newer heights as it achieves growth through the support of a dynamic, pro-active team and two (2) strong shareholder groups.  <a href="http://republic-insurance.ph/the-company/">http://republic-insurance.ph/the-company/</a>
D.8.2	Financial statement/reports (current and prior years)		Y	1	Source: 2017 Financial Reports  <a href="http://republic-insurance.ph/wp-content/uploads/2018/06/2017-Financial-Statements-Annual-Report.pdf">http://republic-insurance.ph/wp-content/uploads/2018/06/2017-Financial-Statements-Annual-Report.pdf</a>
D.8.3	Material provided in briefings to analysts and media				
D.8.4	Shareholding structure		Y	1	Source: 2017 General Information Sheet  <a href="http://republic-insurance.ph/wp-content/uploads/2018/06/2017-Amended-General-Information-Sheet.pdf">http://republic-insurance.ph/wp-content/uploads/2018/06/2017-Amended-General-Information-Sheet.pdf</a>
D.8.5	Group corporate structure		Y	1	Source: 2017 General Information Sheet  <a href="http://republic-insurance.ph/wp-content/uploads/2018/06/2017-Amended-General-Information-Sheet.pdf">http://republic-insurance.ph/wp-content/uploads/2018/06/2017-Amended-General-Information-Sheet.pdf</a>
D.8.6	Downloadable annual report		Y	1	<a href="http://republic-insurance.ph/wp-content/uploads/2018/06/2017-Financial-Statements-Annual-Report.pdf">http://republic-insurance.ph/wp-content/uploads/2018/06/2017-Financial-Statements-Annual-Report.pdf</a>
D.8.7	Notice of AGM and/ or EGM		N/A	0	Not applicable. Republic is a wholly-owned subsidiary of Meralco.
D.8.8	Minutes of AGM and/or EGM		Y	1	<a href="http://republic-insurance.ph/wp-content/uploads/2018/06/2017-Stockholders-Meeting.pdf">http://republic-insurance.ph/wp-content/uploads/2018/06/2017-Stockholders-Meeting.pdf</a>
D.8.9	Company's constitution (company's by-laws, memorandum and articles of association)		Y	1	Source: Website: Corporate Governance Page <a href="http://republic-insurance.ph/wp-content/uploads/2013/07/Articles-of-Incorporation.pdf">http://republic-insurance.ph/wp-content/uploads/2013/07/Articles-of-Incorporation.pdf</a>

					<a href="http://republic-insurance.ph/wp-content/uploads/2013/07/By-Laws.pdf">http://republic-insurance.ph/wp-content/uploads/2013/07/By-Laws.pdf</a>
<b>D.9 Investor relations</b>					
D.9.1	Does the company disclose the contact details (e.g. telephone, fax, and email) of the officer/officer responsible for investor relations?	<b>ICGN 7.1 Transparent and open communication</b>	<b>N/A</b>	<b>0</b>	Not applicable. Republic is a wholly-owned subsidiary of Meralco, thus having only one major shareholder.

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