



ALSONS INSURANCE AND REINSURANCE BROKERS CORPORATION

Makati : G/F Alsons Bldg., 2286 Pasong Tamo Extn. Makati City
Davao : Suite A302 Plaza de Luisa Complex, R.Magsaysay Ave., Davao City

May 26, 2022

INSURANCE COMMISSION
1071 United Nations Avenue Manila

Attention	HON. DENNIS B. FUNA Insurance Commissioner
Subject	Submission of the 2021 Annual Corporate Governance Report

Dear Commissioner Funa:

We are pleased to submit the accomplished Annual Corporate Governance Report of Alsons Insurance and Reinsurance Brokers Corporation for the year 2021. This is in accordance with IC Circular Letter No. 2021-20.

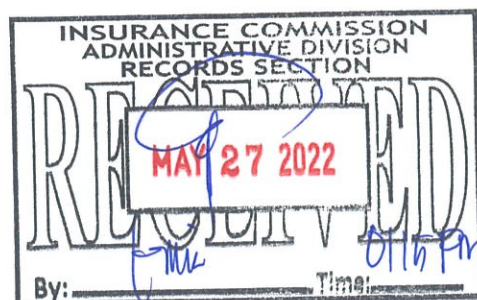
Hope you find the report in order.

Sincerely yours,

ALSONS INSURANCE AND REINSURANCE BROKERS CORPORATION

By:

MARCO C. ALCANTARA
Compliance Officer and General Manager





ALSONS INSURANCE BROKERS CORPORATION

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ANNUAL CORPORATE GOVERNANCE REPORT OF

ALSONS INSURANCE AND REINSURANCE BROKERS CORPORATION

(Name of Company)

1. For the fiscal year ended December 31, 2021
2. Certificate Authority Number IB-44-2022-R & RB-11-2022-R
3. G/F ALSONS BLDG., 2286 CHINO ROCES EXT., MAKATI CITY & 3/F PLAZA DE LUISA BLDG., MAGSAYSAY AVE., DAVAO CITY
Province, country or other jurisdiction of incorporation or organization
4. G/F ALSONS BLDG., 2286 CHINO ROCES EXT., MAKATI CITY 1232
Address of principal office Postal Code
5. (02) 8982-3000
Company's telephone number, including area code
6. http://aibc.alcantaragroup.com/page_about.html
Company's official website
7. Former name – **Alsons Insurance Brokers Corporation**

Recommended CG Practice/Policy	Compliant/Non-Compliant	Additional Information	Explanation
The Board's Governance Responsibilities			
“Principle 1: The company should be headed by a competent, working board to foster the long-term success and sustainability of the corporation, in a manner consistent with its corporate objectives and the long-term best interests of its shareholders and other stakeholders.”			
Recommendation 1.1			
“1. The Board is composed of directors with a collective working knowledge, experience or expertise that is relevant to the company’s industry/sector.”	Compliant	The attached Annex “A” contains the following information on the Company’s Board, and show: 1. The academic qualifications, industry knowledge, professional experience, expertise and relevant trainings of the directors; and 2. The qualification standards for directors to facilitate the selection of potential nominees and to serve as benchmark for the evaluation of its performance	
“2. Board has an appropriate mix of competence and expertise”	Compliant		
“3. Directors remain qualified for their positions individually and collectively, to enable them to fulfill their roles and responsibilities and respond to the needs of the organization.”	Compliant		
Recommendation 1.2			
“1. Board is composed of a majority of non-executive directors.	Compliant	Of the Company’s 7 Directors, as listed in Annex “A”, only 2 – a minority - are “executive directors”, i.e. (1) the Chairman & President, and (2) the Executive Vice President & Treasurer.	
Recommendation 1.3			
“1. Company provides in its Board Charter or Manual on Corporate Governance a policy on training of directors.”	Compliant	In the Company’s current Manual on Corporate Governance, 4.2, a “director shall, before assuming as such, be required to attend a seminar on corporate governance which shall be conducted by a duly recognized private or government institute.” Annually, all Directors attend a seminar on Corporate Governance usually rendered by Risk Opportunities Assessment & Management (ROAM), Inc. In 2020, all Directors attended a 4-hour ROAM, Inc. seminar held on November 13, 2020.	
“2. Company provides in its Board Charter or Manual on Corporate Governance an orientation program for first time directors.”	Compliant		
“3. Company has relevant annual continuing training for all directors.”	Compliant		
Recommendation 1.4			
“1. Board has a policy on board diversity.”	Compliant	The Company’s Board Diversity Policy is set forth in Annex “B”.	
	Compliant	The Company’s Board Diversity Policy, Annex “B”, shows the Company has a policy on, and discloses,	

Recommended CG Practice/Policy	Compliant/Non-Compliant	Additional Information	Explanation
		measurable objectives for implementing its board diversity, and reports on progress in achieving its objectives.	
Recommendation 1.5			
“1. Board is assisted in its duties by a Corporate Secretary.”	Compliant	As set forth in the Company’s articles and by-laws, as amended, and its GISs, the Board always appoints a Corporate Secretary who assists the Board.	
“2. Corporate Secretary is a separate individual from the Compliance Officer.”	Non-Compliant		Currently, the Corporate Secretary serves as the Compliance Officer pending the appointment of separate individuals for each of the positions.
“3. Corporate Secretary is not a member of the Board of Directors.”	Compliant	The Corporate Secretary is not a Director, and also attends the annual Corporate Governance seminars rendered by ROAM, Inc. On November 13, 2020, the Corporate Secretary, with all the Directors, attended a 4-hour ROAM, Inc. seminar on Corporate Governance.	
“4. Corporate Secretary attends training/s on corporate governance.”	Compliant		
Recommendation 1.6			
“1. Board is assisted by a Compliance Officer.”	Compliant	A Compliance Officer always assists the Board, and he has a rank equivalent to the position of a Senior Vice President, with adequate stature and authority in the Company, but is not a Director, and he attends the annual corporate governance seminars. On November 13, 2020, the Compliance Officer, with all the Directors, attended a 4-hour ROAM, Inc. seminar on Corporate Governance.	
“2. Compliance Officer has a rank of Vice President or an equivalent position with adequate stature and authority in the corporation.”	Compliant		
“3. Compliance Officer is not a member of the board.”	Compliant		
“4. Compliance Officer attends training/s on corporate governance.”	Compliant		
“ Principle 2: The fiduciary roles, responsibilities and accountabilities of the Board as provided under the law, the company’s articles and by-laws, and other legal pronouncements and guidelines should be clearly made known to all directors as well as to stockholders and other stakeholders.”			
Recommendation 2.1			
“1. Directors act on a fully informed basis, in good faith, with due diligence and care, and in the best interest of the company.”	Compliant	As set forth in the Company’s filings and disclosures, the Board acts on a fully informed basis, in good faith, with due diligence and care, and in the best interest of the Company.	
Recommendation 2.2			
“1. Board oversees the development, review and approval of the company’s business objectives and strategy.”	Compliant	As set forth in the Company’s filings and disclosures, the Board oversees and/or monitors the development, review, approval, and implementation of the Company’s business objectives and strategy.	
“2. Board oversees and monitors the			

Recommended CG Practice/Policy	Compliant/Non-Compliant	Additional Information	Explanation
implementation of the company's business objectives and strategy in order to sustain the company's long-term viability and strength."			
Recommendation 2.3			
"1. Board is headed by a competent and qualified Chairperson."	Compliant	The Board is headed by a competent and qualified Chairman, Mr. Nicasio I. Alcantara.	
Recommendation 2.4			
"1. Board ensures and adopts an effective succession planning program for directors, key officers and management."	Non-Compliant		The Board is developing a program for succession planning, and a policy on the retirement of Directors and key officers.
"2. Board adopts a policy on the retirement for directors and key officers."			
Recommendation 2.5			
"1. Board formulates and adopts a policy specifying the relationship between remuneration and performance of key officers and board members."	Compliant	The Board has a policy tying remuneration of key officers with the performance of the Company, leading to the improvement of the Company's long-term interests. The non-executive Directors are not employees of the Company, and their remuneration consists solely of fixed per diems. Thus, Directors do not participate in discussions or deliberations involving their own remuneration.	
"2. Board aligns the remuneration of key officers and board members with long-term interests of the company."			
"3. Directors do not participate in discussions or deliberations involving his/her own remuneration."			
Recommendation 2.6			
"1. Board has a formal and transparent board nomination and election policy."	Compliant	The Company's formal and transparent Nomination and Election Policy is set forth in Annex "C".	
"2. Board nomination and election policy is disclosed in the company's Manual on Corporate Governance."	Non-Compliant		The Company's formal and transparent Nomination and Election Policy, Annex "C", will form part of a New Manual on Corporate Governance as soon as the Board holds its regular meeting in August 2021 to adopt the said new manual.
"3. Board nomination and election policy includes how the company accepts nominations from minority shareholders."	Compliant	The Company's Nomination and Election Policy, Annex "C", includes: how the Company accepts nominations from minority shareholders; how the Board reviews nominated candidates; an assessment of the effectiveness of the Board's processes in the nomination, election or replacement of a director; and a process for identifying the quality of directors that is aligned with the strategic direction of the Company.	
"4. Board nomination and election policy includes how the board reviews nominated candidates."			
"5. Board nomination and election policy"			

Recommended CG Practice/Policy	Compliant/Non-Compliant	Additional Information	Explanation
includes an assessment of the effectiveness of the Board's processes in the nomination, election or replacement of a director."			
"6. Board has a process for identifying the quality of directors that is aligned with the strategic direction of the company."			
Recommendation 2.7			
"1. Board has overall responsibility in ensuring that there is a group-wide policy and system governing related party transactions (RPTs) and other unusual or infrequently occurring transactions."	Compliant	The Company's Related Party Transaction Policy is set forth in Annex "D", and it is "group-wide" to a certain extent, and it governs RPTs, and other unusual or infrequently occurring transactions, which includes a proper review, and approval of materials RPTs, which guarantees fairness and transparency of the transactions.	
"2. RPT policy includes appropriate review and approval of material RPTs, which guarantee fairness and transparency of the transactions."			
"3. RPT policy encompasses all entities within the group, taking into account their size, structure, risk profile and complexity of operations."			
Recommendation 2.8			
"1. Board is primarily responsible for approving the selection of Management led by the Chief Executive Officer (CEO) and the heads of the other control functions (Chief Risk Officer, Chief Compliance Officer and Chief Audit Executive)."	Compliant	The Board complies with the Revised Corporation Code, sec. 24, by electing, immediately after their own election, the officers of the Company, including, but not limited to, the President and Chief Executive Officer, the Executive Vice President, the Treasurer, the Chief Financial Officer, the Corporate Secretary, and, if any, the Chief Audit Executive.	
"2. Board is primarily responsible for assessing the performance of Management led by the Chief Executive Officer (CEO) and the heads of the other control functions (Chief Risk Officer, Chief Compliance Officer and Chief Audit Executive)."	Compliant	The Board complies with the Revised Corporation Code, sec. 22, in that unless otherwise provided in the said Code, the Board: (1) exercises all corporate powers; (2) conducts all business; and (3) holds all property of the Company. Thus, the Board is ultimately responsible for assessing the performance of all Company officers.	
Recommendation 2.9			
"1. Board establishes an effective performance management framework"	Compliant	The Board complies with the Revised Corporation Code, sec. 22, in that unless otherwise provided in the said	

Recommended CG Practice/Policy	Compliant/Non-Compliant	Additional Information	Explanation
that ensures that Management, including the Chief Executive Officer performance is at par with the standards set by the Board and Senior Management.”		Code, the Board: (1) exercises all corporate powers; (2) conducts all business; and (3) holds all property of the Company. Thus, the Board is ultimately responsible for ensuring that the performance by management, and personnel, is at par with the standards set by the Board and Senior Management.	
“2. Board establishes an effective performance management framework that ensures that personnel’s performance is at par with the standards set by the Board and Senior Management.”			
Recommendation 2.10			
“1. Board oversees that an appropriate internal control system is in place.”	Compliant	The Board complies with the Revised Corporation Code, sec. 22, in that unless otherwise provided in the said Code, the Board: (1) exercises all corporate powers; (2) conducts all business; and (3) holds all property of the Company. Thus, the Board is ultimately responsible for establishing, then overseeing, an appropriate internal control system, monitoring and managing potential conflicts of interest of Management, Directors, and shareholders, and approving, if any, the internal audit charter.	
“2. The internal control system includes a mechanism for monitoring and managing potential conflict of interest of the Management, members and shareholders.”			
“3. Board approves the Internal Audit Charter.”			
Recommendation 2.11			
“1. Board oversees that the company has in place a sound enterprise risk management (ERM) framework to effectively identify, monitor, assess and manage key business risks.”	Compliant	The Board complies with the Revised Corporation Code, sec. 22, in that unless otherwise provided in the said Code, the Board: (1) exercises all corporate powers; (2) conducts all business; and (3) holds all property of the Company. Thus, the Board is ultimately responsible for overseeing an enterprise risk management framework, which will identify some of the risks to which the Company and its subsidiaries are exposed, and the measures to manage each of such risks.	
“2. The risk management framework guides the Board in identifying units/business lines and enterprise-level risk exposures, as well as the effectiveness of risk management strategies.”		The said ERM framework also guides the Board in identifying units/business lines and enterprise-level risk exposures, and assists the Board in assessing the effectiveness of its risk management strategies.	
Recommendation 2.12			
“1. Board has a Board Charter that formalizes and clearly states its roles, responsibilities and accountabilities in	Non-Compliant		The Board’s “charter” is currently found in applicable laws, rules, regulations, and jurisprudence, and in the Company’s articles of incorporation and by-laws, as amended, and its

Recommended CG Practice/Policy	Compliant/Non-Compliant	Additional Information	Explanation
carrying out its fiduciary role.”			current Manual on Corporate Governance. The said “charter”, however, has to be codified, adopted by the Board, and posted on the Company’s website.
“2. Board Charter serves as a guide to the directors in the performance of their functions.”			
“3. Board Charter is publicly available and posted on the company’s website.”			
“ Principle 3: Board committees should be set up to the extent possible to support the effective performance of the Board’s functions, particularly with respect to audit, risk management, related party transactions, and other key corporate governance concerns, such as nomination and remuneration. The composition, functions and responsibilities of all committees established should be contained in a publicly available Committee Charter.”			
Recommendation 3.1			
“1. Board establishes board committees that focus on specific board functions to aid in the optimal performance of its roles and responsibilities.”	Compliant	The Board has established various committees (audit, executive, management, nomination, compensation) that focus on specific board functions to aid in the optimal performance of its roles and responsibilities.	
Recommendation 3.2			
“1. Board establishes an Audit Committee to enhance its oversight capability over the company’s financial reporting, internal control system, internal and external audit processes, and compliance with applicable laws and regulations.”	Compliant	The Board has established its Audit Committee to enhance its oversight capability over the company’s financial reporting, internal control system, internal and external audit processes, and compliance with applicable laws and regulations	
“2. Audit Committee is composed of at least three appropriately qualified non-executive directors, the majority of whom, including the Chairman is independent.”	Non-Compliant		Due to the Board having only one Independent Director, the Audit Committee has only three members, only one of whom is an Independent Director.
“3. All the members of the committee have relevant background, knowledge, skills, and/or experience in the areas of accounting, auditing and finance.”	Compliant	All the members of the Audit Committee have relevant background, knowledge, skills, and/or experience in the areas of accounting, auditing and finance.	
“4. The Chairman of the Audit Committee is not the Chairman of the Board or of any other committee.”	Non-Compliant		Due to the Board having only 7 Directors, and several committees, the Chair of the Audit Committee is constrained to also be the chair of at least one other committee.
Recommendation 3.3			
“1. Board establishes a Corporate Governance Committee tasked to assist the Board in the performance of its corporate governance responsibilities,	Non-Compliant		Due to the Board having only 7 Directors, and several committees, the Board has to resolve either to organize a Corporate Governance committee, or add that function to another committee. Currently, the Board carries out the

Recommended CG Practice/Policy	Compliant/Non-Compliant	Additional Information	Explanation
including the functions that were formerly assigned to a Nomination and Remuneration Committee.”			functions of a Corporate Governance committee.
“2. Corporate Governance Committee is composed of at least three members, majority of whom should be independent directors.”			
“3. Chairman of the Corporate Governance Committee is an independent director.”			
Recommendation 3.4			
“1. Board establishes a separate Board Risk Oversight Committee (BROC) that should be responsible for the oversight of a company’s Enterprise Risk Management system to ensure its functionality and effectiveness.”	Non-Compliant		Due to the Board having only 7 Directors, and several committees, the Board has to either to organize a Risk Oversight committee, or add that function to another committee. Currently, the Board carries out the functions of a Risk Oversight committee.
“2. BROC is composed of at least three members, the majority of whom should be independent directors, including the Chairman.”			
“3. The Chairman of the BROC is not the Chairman of the Board or of any other committee.”			
“4. At least one member of the BROC has relevant thorough knowledge and experience on risk and risk management.”			
Recommendation 3.5			
“1. Board establishes a Related Party Transactions (RPT) Committee, which is tasked with reviewing all material related party transactions of the company.”	Non-Compliant		Due to the Board having only 7 Directors, and several committees, the Board has to resolve either to organize a Related Party Transaction committee, or add that function to another committee. Currently, the Board carries out the functions of a Related Party Transaction committee.
“2. RPT Committee is composed of at least three non-executive directors, two of whom should be independent, including the Chairman.”			
Recommendation 3.6			
“1. All established committees have a Committee Charter stating in plain terms their respective purposes, memberships,	Non-Compliant		Due to the Board having only 7 Directors, and several committees, the Board has to resolve either to organize a other committees, or add functions to existing committees,

Recommended CG Practice/Policy	Compliant/Non-Compliant	Additional Information	Explanation
structures, operations, reporting process, resources and other relevant information.”			and thereafter commission the drafting of the charters of the committees.
“2. Committee Charters provide standards for evaluating the performance of the Committees.”			
“3. Committee Charters were fully disclosed on the company’s website.”			
“Principle 4: To show full commitment to the company, the directors should devote the time and attention necessary to properly and effectively perform their duties and responsibilities, including sufficient time to be familiar with the corporation’s business.”			
Recommendation 4.1			
“1. The Directors attends and actively participate in all meetings of the Board, Committees and shareholders in person or through tele-/videoconferencing conducted in accordance with the rules and regulations of the Commission.”	Compliant	The Directors attend and actively participate in all meetings of the Board, Committees and shareholders in person or through teleconferencing or videoconferencing conducted in accordance with the rules and regulations of the Commission	
“2. The directors review meeting materials for all Board and Committee meetings.”	Compliant	Management is required to provide members of the Board and Committee materials for their meeting on the Monday of the week preceding the meeting, to allow the Directors to review meeting materials for all Board and Committee meetings.	
“3. The directors ask the necessary questions or seek clarifications and explanations during the Board and Committee meetings.”	Compliant	The Directors do ask the necessary questions, or seek clarifications and explanations, during the Board and Committee meetings.	
Recommendation 4.2			
“1. Non-executive directors concurrently serve to a maximum of five Insurance Commission Regulated Entities (ICREs) and publicly-listed companies to ensure that they have sufficient time to fully prepare for meetings, challenge Management’s proposals/views, and oversee the long-term strategy of the company.”	Compliant	If non-executive Directors concurrently serve in publicly-listed companies, none of such companies exceed five in number.	
Recommendation 4.3			
“1. The directors notify the company’s board where he/she is an incumbent	Compliant	The Independent Director has undertaken to notify the Company’s Board if there is any change about to occur in	

Recommended CG Practice/Policy	Compliant/Non-Compliant	Additional Information	Explanation
director before accepting a directorship in another company.”		his qualifications, including the acceptance of a directorship in another company.	
“Principle 5: The Board should endeavor to exercise objective and independent judgment on all corporate affairs.”			
Recommendation 5.1			
“1. The Board is composed of at least twenty percent (20%) independent directors.”	Non-Compliant	One Independent Director in a seven-seat Board is – when rounded off – 20%.	
Recommendation 5.2			
“1. The independent directors possess all the qualifications and none of the disqualifications to hold the positions.”	Compliant	The Independent Director possesses all the qualifications and none of the disqualifications to hold the position.	
Recommendation 5.3			
“1. The independent directors serve for a cumulative term of nine years. As far as Insurance Companies are concerned, the foregoing term limit shall be reckoned from 02 January 2015 while the reckoning date for the Pre-Need Companies and Health Maintenance Organizations shall be from 21 September 2016. For other covered entities, all previous terms served by existing Independent Directors prior to the effectivity of this Circular shall not be included in the application of the term limit prescribed in this item.”	Compliant	Since the cumulative term of nine years from 2 January 2015 would end on 2 January 2024, and it is only 2021, then the current Independent Director is still “serving a cumulative term of nine years.”	
“2. The company bars an independent director from serving in such capacity after the term limit of nine years.”	Compliant	With the Commission imposing this prohibition, the Company will also impose the same.	
“3. In the instance that the company retains an independent director in the same capacity after nine years, the board submits to the Insurance Commission a formal written justification and seeks shareholders’ approval during the annual shareholders’ meeting.”	Compliant	If, in 2 January 2024, the Company retains its Independent Director in the same capacity, then the Board will decide whether to elect a new Independent Director, or provide meritorious justification, and seeks shareholders’ approval during the annual shareholders’ meeting to retain its Independent Director.	
Recommendation 5.4			
“1. The positions of Chairman of the Board	Non-compliant		The Board has not yet resolved to separate individuals

Recommended CG Practice/Policy	Compliant/Non-Compliant	Additional Information	Explanation
and Chief Executive Officer are held by separate individuals.”			should hold the positions of Chairman and CEO. Nonetheless, this has not compromised the Board’s independence since the Chairman and CEO still has just one vote. Thus, Principle 5 is still being achieved.
“2. The Chairman of the Board and Chief Executive Officer have clearly defined responsibilities.”	Compliant	The responsibilities of the President and Chief Executive Officer are clearly defined in the Revised Corporation Code, the Company's articles, and by-laws, and the current Manual on Corporate Governance, and these are different from the responsibilities of the Chairman.	
Recommendation 5.5			
“1. If the Chairman of the Board is not an independent director, or where the roles of the Chairman and CEO are being held by one person, the board should designate a lead director among the independent directors.”	Compliant	With one Independent Director, that Independent Director becomes the “lead” Independent Director.	
Recommendation 5.6			
“1. Directors with material interest in a transaction affecting the corporation should abstain from taking part in the deliberations for the same.”	Compliant	The Company strictly complies with the Revised Corporation Code, sec. 32, which governs dealings by Directors, if any, with the Company.	
Recommendation 5.7			
“1. The non-executive directors (NEDs) have separate periodic meetings with the external auditor and heads of the internal audit, compliance and risk functions, without any executive directors present to ensure that proper checks and balances are in place within the corporation.”	Non-Compliant		The Board will be arranging meetings between NEDs, and the external auditor, and heads of the internal audit, compliance and risk functions without any Executive Director present, and the Independent Director shall chair these meetings.
“2. The meetings are chaired by the lead independent director.”			
“Principle 6: The best measure of the Board’s effectiveness is through an assessment process. The Board should regularly carry out evaluations to appraise its performance as a body, and assess whether it possesses the right mix of backgrounds and competencies.”			
Recommendation 6.1			
“1. Board conducts an annual assessment of its performance as a whole.”	Non-Compliant		The Board will be arranging these assessments.
“2. The performance of the Chairman is assessment annually by the Board.”			

Recommended CG Practice/Policy	Compliant/Non-Compliant	Additional Information	Explanation
“3. The performance of the individual member of the Board is assessed annually by the Board.”			
“4. The performance of each committee is assessed annually by the Board..”			
“5. Every three years, the assessments are supported by an external facilitator.”			
Recommendation 6.2			
“1. Board has in place a system that provides, at the minimum, criteria and process to determine the performance of the Board, individual directors and committees.”	Compliant	The Board has established a system that provides criteria and processes to assess its performance and that of individual Directors and committees, and allows for a feedback mechanism from the shareholders. This system consists a thorough review of the Company's performance at every meeting of the Board or management committee.	
“2. The system allows for a feedback mechanism from the shareholders.”			
Disclosure and Transparency			
“Principle 7: Members of the Board are duty-bound to apply high ethical standards, taking into account the interests of all stakeholders.”			
Recommendation 7.1			
“1. Board adopts a Code of Business Conduct and Ethics, which provide standards for professional and ethical behavior, as well as articulate acceptable and unacceptable conduct and practices in internal and external dealings of the company.”	Compliant	The Company’s Code of Business and Ethics is set forth in Annex “E”, which Code provides standards for professional and ethical behavior. It also articulates acceptable and unacceptable conduct and practices in internal and external dealings of the Company.	
“2. The Code is properly disseminated to the Board, senior management and employees.”	Compliant	The Board properly disseminated the Code of Business Conduct and Ethics to senior management and employees.	
“3. The Code is disclosed and made available to the public through the company website.”	Non-Compliant		The Code will be disclosed and made available to the public upon the completion of the Company’s website.
Recommendation 7.2			
“1. Board ensures the proper and efficient implementation and monitoring of compliance with the Code of Business Conduct and Ethics.”	Compliant	The Board ensures the proper and efficient implementation and monitoring of compliance with the Code of Business Conduct and Ethics through the internal auditors.	
“2. Board ensures the proper and efficient implementation and monitoring of compliance with company internal policies.”	Compliant	The Board ensures the proper and efficient implementation and monitoring of compliance with company internal policies through the internal auditors.	

Recommended CG Practice/Policy	Compliant/Non-Compliant	Additional Information	Explanation
“Principle 8: The company should establish corporate disclosure policies and procedures that are practical and in accordance with best practices and regulatory expectations.”			
Recommendation 8.1			
“1. Board establishes corporate disclosure policies and procedures to ensure a comprehensive, accurate, reliable and timely report to shareholders and other stakeholders that gives a fair and complete picture of a company’s financial condition, results and business operations.”	Compliant	The Company complies with the applicable disclosure policies and procedures by the Commission to ensure a comprehensive, accurate, reliable and timely report to shareholders and other Stakeholders that gives a fair and complete picture of a Company’s financial condition and business operations.	
Recommendation 8.3			
“1. Board fully discloses all relevant and material information on individual board members to evaluate their experience and qualifications, and assess any potential conflicts of interest that might affect their judgment.”	Compliant	The Company complies with the applicable disclosure policies and procedures by the Commission to fully disclose all relevant and material information on individual Directors and Officers to evaluate their experience and qualifications, and assess any potential conflicts of interest that might affect their judgment.”	
“2. Board fully discloses all relevant and material information on key executives to evaluate their experience and qualifications, and assess any potential conflicts of interest that might affect their judgment.”			
Recommendation 8.4			
“1. Company provides a clear disclosure of its policies and procedure for setting Board remuneration, including the level and mix of the same in the Annual Corporate Governance Report consistent with ASEAN Corporate Governance Scorecard (ACGS) and the Revised Corporate Code.”	Compliant	A The Company complies with the applicable disclosure policies and procedures by the Commission to clearly disclose its policies and procedure for setting Board and executive remuneration, and the level and mix of the same...”	
“2. Company provides a clear disclosure of its policies and procedure for setting Executive remuneration, including the level and mix of the same in the Annual Corporate Governance Report consistent with ASEAN Corporate Governance Scorecard (ACGS) and the			

Recommended CG Practice/Policy	Compliant/Non-Compliant	Additional Information	Explanation
Revised Corporate Code.”			
“3. Company discloses the remuneration on an individual basis, including termination and retirement provisions.”	Compliant	The Company complies with the applicable disclosure policies and procedures by the Commission but balances the need to keep private sensitive information with the need to disclose the remuneration, termination, and/or retirement of individuals.	
Recommendation 8.5			
“1. Company discloses its policies governing Related Party Transactions (RPTs) and other unusual or infrequently occurring transactions.”	Compliant	The Company complies with the applicable disclosure policies and procedures by the Commission, including, but not limited to, its policies on RPTs and other unusual or infrequently occurring transactions.	
“2. Company discloses material or significant RPT in its Annual Company Report or Annual Corporate Governance Report, reviewed and approved by the Board, and submitted for confirmation by majority of vote of the stockholders in the annual stockholders’ meeting during the year.”			
Recommendation 8.7			
“1. Company’s corporate governance policies, programs and procedures are contained in its Manual on Corporate Governance (MCG).”	Compliant	As the New Manual on Corporate Governance, found in www.acr.com.ph/corp_governance.php , 8.7, states: “The Company’s Corporate Governance policies, programs and procedures, once finalized and approved by the Board, should be posted on the Company’s website.”	
“2. Company’s MCG is posted on its company website.”	Compliant	The Company submitted its New Manual on Corporate Governance, found in www.acr.com.ph/corp_governance.php , to the SEC and to the PSE on 14 September 2017.	
“Principle 9: The company should establish standards for the appropriate selection of an external auditor, and exercise effective oversight of the same to strengthen the external auditor’s independence and enhance audit quality.”			
Recommendation 9.1			
“1. Audit Committee has a robust process for approving and recommending the appointment, reappointment, removal, and fees of the external auditors.”	Compliant	As the New Manual on Corporate Governance, found in www.acr.com.ph/corp_governance.php , 9.1, first sentence states: “The Audit Committee shall have a robust process for approving and recommending the appointment, reappointment, removal, and the fees of the external auditor, subject to Board approval and shareholders’ ratification.”	
“2. The appointment, reappointment, removal, and fees of the external auditor is recommended by the Audit Committee, approved by the Board and			

Recommended CG Practice/Policy	Compliant/Non-Compliant	Additional Information	Explanation
ratified by the shareholders.”			
“3. For removal of the external auditor, the reasons for removal or change are disclosed to the regulators and the public through the company website and required disclosures.”	Compliant	As the New Manual on Corporate Governance, found in www.acr.com.ph/corp_governance.php , 9.1, second sentence states: “The reasons for removal or change of external auditor shall be disclosed to the regulators and the public through the Company website and required disclosures.”	
Recommendation 9.2			
“1. Audit Committee Charter includes the Audit Committee’s responsibility on (i) assessing the integrity and independence of external auditors; (ii) exercising effective oversight to review and monitor the external auditor’s independence and objectivity; and (iii) exercising effective oversight to review and monitor the effectiveness of the audit process, taking into consideration relevant Philippine professional and regulatory requirements.”	Compliant	As set forth in the New Manual on Corporate Governance, in www.acr.com.ph/corp_governance.php , 9.2 (a) through (c), “The Audit Committee charter shall include the Committee’s responsibility on: (a) assessing the integrity and independence of external auditors; (b) exercising effective oversight to review and monitor the external auditor’s independence and objectivity; (c) the effectiveness of the audit process, taking into consideration relevant Philippine professional and regulatory requirements; and (d) reviewing and monitoring the external auditor’s suitability and effectiveness on an annual basis.	
“2. Audit Committee Charter contains the Committee’s responsibility on reviewing and monitoring the external auditor’s suitability and effectiveness on an annual basis.”	Compliant	As set forth in the New Manual on Corporate Governance, in www.acr.com.ph/corp_governance.php , 9.2 (d), “The Audit Committee charter shall include the Committee’s responsibility on: ... (d) reviewing and monitoring the external auditor’s suitability and effectiveness on an annual basis.	
Recommendation 9.3			
“1. Company discloses the nature of non-audit services performed by its external auditor in the Annual Report to deal with the potential conflict of interest.”	Compliant	As set forth in the New Manual on Corporate Governance, in www.acr.com.ph/corp_governance.php , 9.3, first sentence, “The Company shall disclose the nature of non-audit services performed by its external auditor in the annual report to deal with the potential conflict of interest.”	
“2. Audit Committee stays alert for any potential conflict of interest situations, given the guidelines or policies on non-audit services, which could be viewed as impairing the external auditor’s objectivity.”	Compliant	As set forth in the New Manual on Corporate Governance, in www.acr.com.ph/corp_governance.php , 9.3, second sentence, “The Audit Committee shall be alert for any potential conflict of interest situations and follow guidelines or policies on non-audit services that could impair the external auditor’s objectivity.”	
“Principle 10: The company should ensure that material and reportable non-financial and sustainability issues are disclosed.”			

Recommended CG Practice/Policy	Compliant/Non-Compliant	Additional Information	Explanation
Recommendation 10.1			
“1. Board has a clear and focused policy on the disclosure of non-financial information, with emphasis on the management of economic, environmental, social and governance (EESG) issues of its business, which underpin sustainability.”	Compliant	As set forth in the New Manual on Corporate Governance, in www.acr.com.ph/corp_governance.php , 10.1, “The Board shall formulate and implement a clear and focused policy on the disclosure of non-financial information, with emphasis on the management of economic, environmental, social and governance issues of its business.”	
“2. Company adopts a globally recognized standard/framework in reporting sustainability and non-financial issues.”	Compliant	Through its external auditor, and consultants, the Company adopted a globally recognized standard in reporting sustainability and non-financial issues	
“Principle 11: The company should maintain a comprehensive and cost-efficient communication channel for disseminating relevant information. This channel is crucial for informed decision-making by investors, stakeholders and other interested users.”			
Recommendation 11.1			
“1. The company should have a website to ensure a comprehensive, cost efficient, transparent, and timely manner of disseminating relevant information to the public.”	Compliant	The Company holds media and analysts’ briefings, which could serve as channels of communication that ensure the timely and accurate dissemination of public, material and relevant information to its shareholders and other investors.	
Internal Control System and Risk Management Framework			
“Principle 12: To ensure the integrity, transparency and proper governance in the conduct of its affairs, the company should have a strong and effective internal control system and enterprise risk management framework.”			
Recommendation 12.1			
“1. Company has an adequate and effective internal control system in the conduct of its business.”	Compliant	As set forth in the New Manual on Corporate Governance, in www.acr.com.ph/corp_governance.php , 12.1, “The Board, taking into account the Company’s size, risk profile and complexity of operations, may establish an adequate and effective Internal control system and an ERM framework in the conduct of the Company’s business.”	
“2. Company has an adequate and effective enterprise risk management framework in the conduct of its business.”			
Recommendation 12.2			
“1. Company has in place an independent internal audit function that provides an independent and objective assurance, and consulting services designed to add value and improve company’s operations.”	Compliant	The Company engages the IT specialists to perform overwatch functions over the IT systems of the Company and its affiliates for any disruption, cyber security, and disaster recovery, and these specialists ensure that all key risks are identified, managed and reported to the Chairman of and for the Board.	
Recommendation 12.3			
“1. The company has a qualified Chief Audit Executive (CAE) appointed by the	Compliant	The Board annually appoints the qualified Mr. Esperidion D. Develos as its CAE.	

Recommended CG Practice/Policy	Compliant/Non-Compliant	Additional Information	Explanation
Board.”			
“2. CAE oversees and is responsible for the internal audit activity of the organization, including that portion that is outsourced to a third party service provider.”	Compliant	As set forth in the New Manual on Corporate Governance, in www.acr.com.ph/corp_governance.php , 12.3, the CAE oversees and is responsible for the Company’s internal audit activity, including – if any - that portion that is outsourced to a third party service provider.”	
“3. In case of a fully outsourced internal audit activity, a qualified independent executive or senior management personnel is assigned the responsibility for managing the fully outsourced internal audit activity.”	Compliant	As set forth in the New Manual on Corporate Governance, in www.acr.com.ph/corp_governance.php , 12.3, “In case of a fully outsourced internal audit activity, senior management personnel should be responsible for managing the said activity.”	
Recommendation 12.4			
“1. Company has a separate risk management function to identify, assess and monitor key risk exposures.”	Compliant	As set forth in the New Manual on Corporate Governance, in www.acr.com.ph/corp_governance.php , 12.4, “Subject to its size, risk profile and complexity of operations, the Board may establish a separate risk management function to identify, assess and monitor key risk exposures”.	
Recommendation 12.5			
“1. In managing the company’s Risk Management System, the company has a Chief Risk Officer (CRO), who is the ultimate champion of Enterprise Risk Management (ERM).”	Compliant	As set forth in the New Manual on Corporate Governance, in www.acr.com.ph/corp_governance.php , 12.5, “Subject to its size, risk profile and complexity of operations, the Board, in managing the Company’s risks, may appoint a chief risk officer, who is the ultimate champion of ERM and has adequate authority, stature, resources and support to fulfill his/her responsibilities	
“2. CRO has adequate authority, stature, resources and support to fulfill his/her responsibilities.”			
Cultivating a Synergic Relationship with Shareholders			
“Principle 13: The company should treat all shareholders fairly and equitably, and also recognize, protect and facilitate the exercise of their rights.”			
Recommendation 13.1			
“1. Board ensures that basic shareholder rights are disclosed in the Manual on Corporate Governance.”	Compliant	As set forth in the New Manual on Corporate Governance, in www.acr.com.ph/corp_governance.php , the Company discloses the rights of its shareholders.	
“2. Board ensures that basic shareholder rights are disclosed on the company’s website.”	Compliant	As set forth in the Company’s website, www.acr.com.ph , the Company discloses the rights of its shareholders.	
Recommendation 13.2			
“1. Board encourages active shareholder	Compliant	As set forth in www.acr.com.ph/disclosure.php , the	

Recommended CG Practice/Policy	Compliant/Non-Compliant	Additional Information	Explanation
participation by sending the Notice of Annual and Special Shareholders' Meeting with sufficient and relevant information at least 21 days before the meeting."		Company disclosed the date of the annual shareholders' meeting on May 24 th , and therefore notified the shareholders of such a meeting, as early as February 22 nd .	
Recommendation 13.3			
"1. Board encourages active shareholder participation by making the result of the votes taken during the most recent Annual or Special Shareholders' Meeting publicly available the next working day."	Compliant	As found in the disclosures and filings in www.acr.com.ph/ , the Company makes the result of the votes taken during the most recent Annual or Special Shareholders' Meeting publicly available not later than the next working day.	
"2. Minutes of the Annual and Special Shareholders' Meetings were available on the company website within five business days from the end of the meeting."	Compliant	As found in the disclosures and filings in www.acr.com.ph/ , the Company makes the approved minutes of the annual meeting available on the Company's website within five business days from the end of the meeting.	
Recommendation 13.4			
"1. The Board has an alternative dispute mechanism to resolve intra-corporate disputes in an amicable and effective manner."	Compliant	As set forth in the New Manual on Corporate Governance, 13.3, "At the shareholder's option, the shareholder may refer his/her dispute with the Company to arbitration in Makati City in accordance with the arbitration rules of the Philippine Dispute Resolution Center, Inc. ("PDRCI") in force at the time such arbitration is commenced. The arbitral tribunal shall consist of three (3) arbitrators, with the shareholder nominating one (1) arbitrator and the Company nominating another arbitrator. The two (2) arbitrators so chosen shall nominate a third arbitrator who shall serve as the presiding arbitrator. If either side fails to appoint an arbitrator or the two arbitrators appointed by the parties fail to agree on the choice of a presiding arbitrator, the chairman of the PDRCI shall make such appointments(s). The language of the arbitration proceedings shall be English. "	
"2. The alternative dispute mechanism is included in the company's Manual on Corporate Governance."			
Duties to Shareholders			
"Principle 14: The rights of stakeholders established by law, by contractual relations and through voluntary commitments must be respected. Where stakeholders' rights and/or interests are at stake, stakeholders should have the opportunity to obtain prompt effective redress for the violation of their rights."			
Recommendation 14.1			
"1. Board identifies the company's various stakeholders and promotes cooperation	Compliant	As set forth in the New Manual on Corporate Governance, in www.acr.com.ph/corp_governance.php ,	

Recommended CG Practice/Policy	Compliant/Non-Compliant	Additional Information	Explanation
between them and the company in creating wealth, growth and sustainability.”		14.1, “Subject to the Company’s size, risk profile and complexity of operations, the Board shall identify the Company’s various Stakeholders and cooperate with them to create wealth, growth and sustainability. “	
Recommendation 14.2			
“1. Board establishes clear policies and programs to provide a mechanism on the fair treatment and protection of stakeholders.”	Compliant	As set forth in the New Manual on Corporate Governance, in www.acr.com.ph/corp_governance.php , 14.2, “Subject to the Company’s size, risk profile and complexity of operations, the Board shall establish clear policies and programs to provide a mechanism on the fair treatment and protection of Stakeholders.”	
Recommendation 14.3			
“1. Board adopts a transparent framework and process that allow stakeholders to communicate with the company and to obtain redress for the violation of their rights.”	Compliant	As set forth in the New Manual on Corporate Governance, in www.acr.com.ph/corp_governance.php , 14.3, “The Board hereby adopts a transparent framework and process to allow Stakeholders to communicate with the Company and to obtain redress for the violation of their rights.”	
“ Principle 15: A mechanism for employee participation should be developed to create a symbiotic environment, realize the company’s goals and participate in its corporate governance processes.”			
Recommendation 15.1			
“1. Board establishes policies, programs and procedures that encourage employees to actively participate in the realization of the company’s goals and in its governance.”	Compliant	As set forth in the New Manual on Corporate Governance, 15.1, “Subject to the Company’s size, risk profile and complexity of operations, the Board shall establish policies, programs and procedures that encourage employees to actively participate in the realization of the Company’s goals and in its governance.”	
Recommendation 15.2			
“1. Board sets the tone and makes a stand against corrupt practices by adopting an anti-corruption policy and program in its Code of Conduct.”	Compliant	The Board adopted an anti-corruption policy and program in its Code of Business Conduct and Ethics, thereby setting the tone and making a stand against corrupt practices.	
“2. Board disseminates the policy and program to employees across the organization through trainings to embed them in the company’s culture.”	Compliant	Through the Group’s Human Resources Department, the Board disseminates its Code of Business Conduct and Ethics, in www.acr.com.ph/code_business_conduct.php , to employees of the Group through training sessions to embed the same in the culture of the employees of the Group and, if any, of the Company.	
Recommendation 15.3			

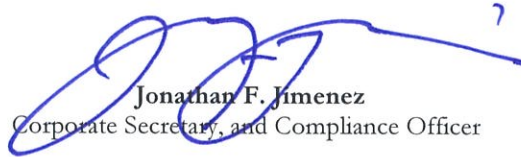
Recommended CG Practice/Policy	Compliant/Non-Compliant	Additional Information	Explanation
<p>“1. Board establishes a suitable framework for whistleblowing that allows employees to freely communicate their concerns about illegal or unethical practices, without fear of retaliation.”</p> <p>“2. Board establishes a suitable framework for whistleblowing that allows employees to have direct access to an independent member of the Board or a unit created to handle whistleblowing concerns.”</p>	Non-Compliant		The Board will establish a suitable framework for whistleblowing that allows employees to: (1) freely communicate their concerns about illegal or unethical practices, without fear of retaliation; and (2) have direct access to an independent member of the Board or a unit created to handle whistleblowing concerns.
“3. Board supervises and ensures the enforcement of the whistleblowing framework.”	Non-Compliant		Once it establishes the said suitable framework, the Board will supervise and ensure the enforcement of the same.
“Principle 16: The company should be socially responsible in all its dealings with the communities where it operates. It should ensure that its interactions serve its environment and stakeholders in a positive and progressive manner that is fully supportive of its comprehensive and balanced development.”			
Recommendation 16.1			
“1. Company recognizes and places importance on the interdependence between business and society, and promotes a mutually beneficial relationship that allows the company to grow its business, while contributing to the advancement of the society where it operates.”	Compliant	As an insurance brokerage, the Company does recognize the interdependence of business and society, and promotes – where it can - a mutually beneficial relationship that allows the Company to grow its business while contributing to the advancement of society.	

20 MAY 2022

Parañaque City, ____ May 2022.



Nicasio I. Alcantara
Chairman of the Board, President, and Chief Executive Officer



Jonathan F. Jimenez
Corporate Secretary, and Compliance Officer



Ramon T. Diokno
Independent Director

20 MAY 2022

SUBSCRIBED AND SWORN to before me on this ____ May 2022 at Parañaque City, affiants having exhibited to me competent evidence of their respective identity consisting of the following, with their respective photograph and signature.


Name
Nicasio I. Alcantara
Ramon T. Diokno
Jonathan F. Jimenez

Competent evidence of identity
Passport P9170862B
TIN 117 434 707
Driver's License no. D06-86-017937

Place of Issue/Date of Expiry
DFA NCR Central/ 14 March 2032
BIR
LTO, Q.C./ 25 October 2023

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Series of 2022.




ATTY. VILMA HILDA VILLANUEVA-FABELLA
NOTARY PUBLIC
Until December 31, 2022
IBP No. 196528/1-05-2022/PPLM
PTR No. 2910162/1-07-2022/Parañaque
Roll No. 41901
Not. Com. No. 119-2021/1-04-2021