

30 May 2025

HON. REYNALDO A. REGALADO

Commissioner

Insurance Commission

1701 United Nations Ave

Manila, 1000 Metro Manila

Subject: Submission of Annual Corporate Governance Report for 2024

Dear Commissioner Regalado:

We respectfully submit the Annual Corporate Governance Report (ACGR) of **PhilPacific Insurance Brokers & Managers, Inc. (PHILINSURE)** for the year 2024, in compliance with Insurance Commission Circular Letter No. 2020-72, which mandates all insurance and reinsurance brokers to submit their respective ACGRs.

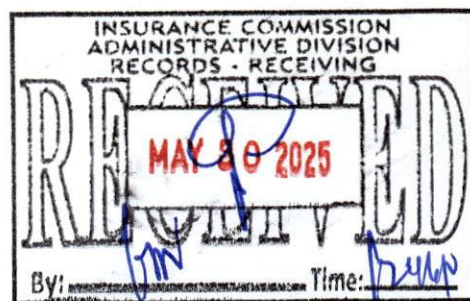
Enclosed herewith are the duly accomplished ACGR and the corresponding certifications signed by the required signatories.

Thank you, and we remain committed to complying with the regulatory requirements of the Commission.

Very truly yours,



ATTY. NEIL OMAR R. DE LA CENA
Compliance Officer



Enrico D. Cleofas
Insurance Commission - Admin.
Records - Receiving

AFFIDAVIT OF EXPLANATION

I, ATTY. NEIL OMAR R. DE LA CENA, of legal age, Filipino, and with office address at Philpacific Insurance Brokers & Managers, Inc., 2F Centro Maximo II, D. Jakosalem cor. Ranudo St., Cebu City, after having been duly sworn to in accordance with law, hereby depose and state that:

- I am the Compliance Officer of PhilPacific Insurance Brokers & Managers, Inc. (PHILINSURE), a corporation duly organized and existing under the laws of the Republic of the Philippines.
- Pursuant to Insurance Commission Circular Letter No. 2020-72, the Company is submitting its Annual Corporate Governance Report (ACGR) for the year 2024.
- One of the required signatories to the ACGR is Ms. KAREN V. BATUNGBACAL, a duly appointed Independent Director of the Company.
- As of the date of this submission, Ms. Batungbacal is currently out of the country and unable to physically sign the ACGR, which is a requirement of the Insurance Commission.

In view of the foregoing, the Company respectfully requests that the submission of the ACGR be accepted pending the submission of the signed certification of Ms. Batungbacal. We undertake to resubmit the completed and signed certification immediately upon her return and availability.

This affidavit is executed to attest to the truth of the foregoing and to support the Company's submission of its 2024 Annual Corporate Governance Report.

MAY 30 2025

IN WITNESS WHEREOF, I have hereunto set my hand this ____ day of _____, 2024 at
CITY OF MAKATI




ATTY. NEIL OMAR R. DE LA CENA
Corporate Governance Compliance Officer
Philpacific Insurance Brokers & Managers, Inc.

MAY 30 2025

SUBSCRIBED AND SWORN to before me this ____ day of _____, 2025, affiant exhibiting to me his competent evidence of identity, PhilSys ID No. 5207-4584-2539-2170, issued on November 30, 2022 at Makati City.

Notary Public

Doc No. 499
Page No. 101
Book No. 112
Series 202 5


ATTY. JOSHUA P. LAPUZ
Notary Public Makati City
Until Dec. 31, 2025

Appointment No. M-016-(2024-2025)
PTR No. 10466007 Jan. 2, 2025 / Makati
IBP Lifetime No. 04897 Roll No. 45790
MCLE Compliance No. VIII-0025286
Valid until April 14, 2028
G/F Fedman Bldg., 199 Salcedo St.
Legaspi Village, Makati City

**ANNUAL CORPORATE GOVERNANCE REPORT OF
PHILPACIFIC INSURANCE BROKERS & MANAGERS, INC.
doing business under the name and style of PHILINSURE**

1. For the fiscal year ended December 31, 2024
2. Certificate Authority Number IB-03-2025-R, RB-05 -2025-R and HMOB-03-2025-R
Cebu, Philippines
Province, Country or other jurisdiction of incorporation or organization
3. 2F Centro Maximo II Bldg., D. Jakosalem Street, cor. Ranudo St., Cogon Ramos,
Cebu City
Address of principal office
6000
Postal Code
4. +632 254 6781 to 85
Company's telephone number, including area code
5. www.philinsure.com.ph
Company's official website
6. Formerly: PhilPacific Insurance Brokers & Managers, Inc.

ANNUAL CORPORATE GOVERNANCE REPORT			
	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 of the corporation, and to sustain its competitiveness and profitability in a manner consistent with its corporate objectives and the long- term best interests of its shareholders and other stakeholders.			
Recommendation 1.1			
1. Board is composed of directors with collective working knowledge, experience or expertise that is relevant to the company's industry/sector.	Compliant	The Company's Board is composed of eight (8) directors with experience and expertise in the field of insurance (local and international) and other major businesses.	
2. Board has an appropriate mix of competence and expertise.	Compliant	The Company has a balanced composition consisting of competent directors.	
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	Directors are competent individuals with respective track records in their own fields. There have been no events that would disqualify them to remain as directors.	
Recommendation 1.2			
1. Board is composed of a majority of non-executive directors.	Non-Compliant	The Company's Board is composed by four (4) non-executive directors and four (4) executive directors, namely the President and three (3) top level managers.	Although there is no majority, there exists an equal representation of non-executive directors which include 2 independent directors. No director can dominate the decision-making process of the Board.
Recommendation 1.3			
1. Company provides in its Board Charter and Manual on Corporate Governance a policy on training of directors.	Compliant	All directors are also encouraged to participate in continuing education programs at the Company's expense to maintain a competent and effective Board.	

ANNUAL CORPORATE GOVERNANCE REPORT			
	COMPLIANT/ NON- COMPLIANT	ADDITIONAL INFORMATION	EXPLANATION
2. Company provides in its Board Charter or Manual on Corporate Governance an orientation for first time directors.	Compliant	All newly-elected directors are required to undergo an orientation program which aims to familiarize them their duties and responsibilities as directors as well as the Company's structures, operations and other necessary information.	
3. Company has relevant annual continuing training for all directors.	Compliant	The Company provides continuing education/training programs for Directors thru various third-party providers which includes the Institute of Corporate Directors.	
Recommendation 1.4			
1. Board has a policy on board diversity.	Compliant	The Company's Board is composed of members who possess the expertise and experience in their own fields of diplomacy, insurance broking, retail, among others. Additionally, the Board is composed of men and women –one citizen from the United Kingdom.	
Recommendation 1.5			
1. Board is assisted by a Corporate Secretary.	Compliant	The Board is assisted by Corporate Secretary, Atty. Rizza Marie Mangubat Gariando.	
2. Corporate Secretary is a separate individual from the Compliance Officer.	Compliant	The Company has a separate Compliance Officer, Atty. Neil Omar Ricaplaza de la Cena.	
3. Corporate Secretary is not a member of the Board of Directors.	Compliant	The Corporate Secretary is not a shareholder and not a member of the Company's Board of Directors.	
4. Corporate Secretary attends training/s on corporate governance.	Compliant	The Corporate Secretary attended trainings on Corporate Governance as well as related topics such as revised Corporation Code and other SEC and BIR updates.	
Recommendation 1.6			

ANNUAL CORPORATE GOVERNANCE REPORT			
	COMPLIANT/ NON- COMPLIANT	ADDITIONAL INFORMATION	EXPLANATION
1. Board is assisted by a Compliance Officer.	Compliant	The Company's Board appointed Atty. Neil Omar Ricaplaza de la Cena as the Compliance Officer with the rank of a Vice President, a position which is part of the top executives of the Company, hence, can exercise adequate stature and authority within the Corporation. He is not a member of the Board.	
2. Compliance Officer has a rank of Senior 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	Directors act on a fully informed basis, in good faith, with due diligence and care, and in the best interest of the Company. All significant matters concerning the Board are discussed and approved by all members.	
Recommendation 2.2			
1. Board oversees the development, review and approval of the company's business objectives and strategy.	Compliant	The Board, in coordination with key management of the Company, prepares its long-term strategic plans and objectives. This contains major trade secrets that are confidential.	
2. Board oversees and monitors the implementation of the company's business objectives and strategy in order to sustain the company's long term viability and strength.	Compliant	The Board oversees and monitors the implementation of the company's business objectives and strategy in order to sustain the Company's long term viability and strength especially during the onset of the pandemic.	
Recommendation 2.3			

ANNUAL CORPORATE GOVERNANCE REPORT			
	COMPLIANT/ NON- COMPLIANT	ADDITIONAL INFORMATION	EXPLANATION
1. Board is headed by a competent and qualified Chairperson	Compliant	Mr. Oscar Chua is a competent and qualified chairman of the Board as shown by his long tenure as member of the Board before he became a chairman.	
Recommendation 2.4			
1. Board ensures and adopts an effective succession planning program for directors, key officers and management	Compliant	The Board has adopted an effective succession planning program for directors, key officers, and management to ensure growth and continued increase in the shareholders' value. This includes adopting a policy on the retirement age for directors and key officers as part of the management succession and to promote dynamism in the Company.	
2. Board adopts a policy on the retirement for directors and key officers.	Compliant		
Recommendation 2.5			
1. Board formulates and adopts a policy specifying the relationship between remuneration and performance of key officers and board members.	Compliant		
2. Board aligns the remuneration of key officers and board members with long term interests of the company.	Compliant	The remuneration and performance of key officers are aligned with the long term interests of the Company.	
3. Directors do not participate in discussions or deliberations involving his/her own remuneration.	Compliant		
Recommendation 2.6			
1. Board has a formal and transparent board nomination and election policy.	Compliant	The Board has formulated a formal and transparent board nomination and election policy that includes how it accepts nominations from minority shareholders and reviews nominated candidates.	

ANNUAL CORPORATE GOVERNANCE REPORT			
	COMPLIANT/ NON- COMPLIANT	ADDITIONAL INFORMATION	EXPLANATION
2. Board nomination and election policy is disclosed in the company's Manual on Corporate Governance.	Compliant	Manual on Corporate Governance is available in the Company's website. https://www.philinsure.com.ph/wp-content/uploads/2024/05/Manual-on-Corporate-Governance.pdf	
3. Board nomination and election policy includes how the company accepts nominations from minority shareholders.	Compliant		
4. Board nomination and election policy includes how the board reviews nominated candidates.	Compliant		
5. Board nomination and election policy includes an assessment of the effectiveness of the Board's processes in the nomination, election or replacement of a director.	Compliant		
6. Board has a process for identifying the quality of directors that is aligned with the strategic direction of the company.	Compliant		
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 has a formal related transactions policy in accordance with the guidelines of the Insurance Commission. The Related Transactions Policy is on file.	
2. RPT policy includes appropriate review and approval of material RPTs, which guarantee fairness and transparency of the transactions.	Compliant		
3. RPT policy encompasses all entities within the group, taking into account their size, structure, risk profile and complexity of operations.	Compliant		

ANNUAL CORPORATE GOVERNANCE REPORT			
	COMPLIANT/ NON- COMPLIANT	ADDITIONAL INFORMATION	EXPLANATION
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	Link to Article VI of the Company's by-laws and Manual on Corporate Governance: https://www.philinsure.com.ph/wp-content/uploads/2024/05/Manual-on-Corporate-Governance.pdf	
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 does the assessment during the annual meeting wherein the Management team provides reports regarding the results of operations for the year. The Board provides comments and approves business plan or suggests revisions to make the proposed plans more feasible.	
Recommendation 2.9			
1. Board establishes an effective performance management framework that ensures that Management, including the Chief Executive Officer's performance is at par with the standards set by the Board and Senior Management.	Compliant	The Key Result Areas Plan (KRA) is the effective performance management framework adopted to ensure that individual performance is tracked versus standards set by Management and Board. In this assessment, the employees are evaluated by their respective Team leaders.	
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.	Compliant	All employees are assessed using a pre-defined KRA, relative to the employees' functions.	
Recommendation 2.10			
1. Board oversees that an appropriate internal control system is in place.	Compliant	The Company has an Internal Control and Enterprise Risk Management Framework	

ANNUAL CORPORATE GOVERNANCE REPORT			
	COMPLIANT/ NON- COMPLIANT	ADDITIONAL INFORMATION	EXPLANATION
2. The internal control system includes a mechanism for monitoring and managing potential conflict of interest of the Management, members and shareholders.	Compliant	which includes policies and procedures in place for process and controls for each business processes.	
3. Board approves the Internal Audit Charter.	Compliant	The Board approved the internal audit charter which is on file.	
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 ensures that a sound enterprise risk management (ERM) framework is in place to effectively identify, monitor, assess and manage key business risks. 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.	
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.	Compliant	Risk management is being exercised and monitored by Senior Management. The Company has established a separate risk management team.	
Recommendation 2.12			
1. Board has a Board Charter that formalizes and clearly states its roles, responsibilities and accountabilities in carrying out its fiduciary duties.	Non-compliant	There is no formal Board Charter but the roles, responsibilities and accountabilities of the Board in carrying out its fiduciary duties are detailed in the Manual on Corporate Governance. However, with the recent appointment of two (2) independent directors, the Board is in the	
2. Board Charter serves as a guide to the directors in the performance of their functions.	Non-compliant		
3. Board Charter is publicly available and posted on the company's website.	Non-compliant		

ANNUAL CORPORATE GOVERNANCE REPORT			
	COMPLIANT/ NON- COMPLIANT	ADDITIONAL INFORMATION	EXPLANATION
		process of drafting and approving a formal board charter.	
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		
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 agreed to consolidate the functions of the Audit Committee with the Board Risk Oversight Committee considering the limitations such as size of the Corporation, limited number of directors and independent directors, and the non-complexity of the financial operations of the Corporation. The consolidated committee is now called the "Audit and Board Risk Oversight Committee" .	
2. Audit Committee is composed of at least three appropriately qualified non- executive directors, the majority of whom, including the Chairman is independent.	Compliant	The Audit and Board Risk Oversight Committee is composed of the following members: 1. Karen Batungbacal (Chairman) 2. John Alcordo 3. Oscar Chua	

ANNUAL CORPORATE GOVERNANCE REPORT			
	COMPLIANT/ NON- COMPLIANT	ADDITIONAL INFORMATION	EXPLANATION
3. All the members of the committee have relevant background, knowledge, skills, and/or experience in the areas of accounting, auditing and finance.	Compliant	The Company's Audit and Board Risk Oversight Committee is being chaired by independent director, Karen Batungbacal.	
4. The Chairman of the Audit Committee is not the Chairman of the Board or of any other committee.	Compliant		
Recommendation 3.3			
1. Board establishes a Corporate Governance Committee tasked to assist the Board in the performance of its corporate governance responsibilities, including the functions that were formerly assigned to a Nomination and Remuneration Committee.	Compliant	The Board agreed to consolidate the functions of the Corporate Governance Committee with the Related Party Transactions Committee considering the limitations such as size of the Corporation, limited number of directors and independent directors, and the non-complexity of the operations of the Corporation. The consolidated committee is now called the "Corporate Governance and Related Party Transactions Committee" , with the following members: 1. John Alcorido (Chairman) 2. Karen Batungbacal 3. John Cullis	
Corporate Governance Committee is composed of at least three members, majority of whom should be independent directors.	Compliant		
2. Chairman of the Corporate Governance Committee is an independent director.	Compliant		
Recommendation 3.4			

ANNUAL CORPORATE GOVERNANCE REPORT			
	COMPLIANT/ NON- COMPLIANT	ADDITIONAL INFORMATION	EXPLANATION
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		There is no separate BROC Committee. The Board has agreed to consolidate the functions of the Audit Committee with the Board Risk Oversight Committee considering the limitations such as size of the Corporation, limited number of directors and independent directors, and the non-complexity of the financial operations of the Corporation. The consolidated committee is now called the " Audit and Board Risk Oversight Committee ", with the following members:
2. BROC is composed of at least three members, the majority of whom should be independent directors, including the Chairman.	Compliant	The consolidated committee of Audit and Board Risk Oversight Committee is composed of 2 independent and 1 non-executive director.	
3. The Chairman of the BROC is not the Chairman of the Board or of any other committee	Compliant	The consolidated committee called the " Audit and Board Risk Oversight Committee " is being chaired by independent director, Karen Batungbacal.	
4. At least one member of the BROC has relevant thorough knowledge and experience on risk and risk management.	Compliant		1. Karen Batungbacal (Chairman) 2. John Alcorido 3. Oscar Chua
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.	Compliant	The Board has agreed to consolidate the functions of the Corporate Governance Committee with the Related Party Transactions Committee considering the limitations such as size of the Corporation, limited number of directors and independent directors, and the non-complexity of the	

ANNUAL CORPORATE GOVERNANCE REPORT			
	COMPLIANT/ NON- COMPLIANT	ADDITIONAL INFORMATION	EXPLANATION
		operations of the Corporation. The consolidated committee is now called the "Corporate Governance and Related Party Transactions Committee" , with the following members: 1. John Alcordo (Chairman) 2. Karen Batungbacal 3. John Cullis	
2. RPT Committee is composed of at least three non-executive directors, two of whom should be independent, including the Chairman.	Compliant		
Recommendation 3.6			
1. All established committees have a Committee Charter stating in plain terms their respective purposes, memberships, structures, operations, reporting process, resources and other relevant information.	Non-compliant		The audit, risk oversight, corporate governance, and related party transactions policies are incorporated in the Company's Manual on Corporate Governance. The Company is yet to establish its committees' charters due to its recent election of committee chairpersons and members.
2. Committee Charters provide standards for evaluating the performance of the Committees.	Non-compliant		
3. Committee Charters were fully disclosed on the company's website.	Non-compliant		
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 attend and actively participate in all meetings of the Board.	Compliant	Attendance of the Board are provided under the minutes of the meetings which are held	

ANNUAL CORPORATE GOVERNANCE REPORT			
	COMPLIANT/ NON- COMPLIANT	ADDITIONAL INFORMATION	EXPLANATION
Committees and shareholders in person or through tele-/videoconferencing conducted in accordance with the rules and regulations of the Commission.		only if there is a quorum. Before every meeting, the minutes of the previous meetings are reviewed by the Board.	
2. The directors review meeting materials for all Board and Committee meetings.	Compliant		
3. The directors ask the necessary questions or seek clarifications and explanations during the Board and Committee meetings.	Compliant		
Recommendation 4.2			
1. Non-executive directors concurrently serve as directors to a maximum of five Insurance Commission Regulated Entities (ICRE's) and publicly-listed companies to ensure that they have sufficient time to fully prepare for minutes, challenge Management's proposals/ views, and oversee the long-term strategy of the company.	Compliant		
Recommendation 4.3			
2. The directors notify the company's board before accepting a directorship in another company.	Compliant	The notification is done during the nomination process. The non-executive directors of the Board may only concurrently serve as directors to a maximum of five Insurance Commission Regulated Entities 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. He/she must notify the Board before accepting a directorship in another company.	

ANNUAL CORPORATE GOVERNANCE REPORT			
	COMPLIANT/ NON- COMPLIANT	ADDITIONAL INFORMATION	EXPLANATION
Principle 5: The board should endeavor to exercise an objective and independent judgment on all corporate affairs.			
Recommendation 5.1			
1. The Board is composed of at least twenty percent (20%) independent directors.	Compliant	The Board is composed of two (2) independent directors, equivalent to 20% of the total count of the eight (8) directors.	
Recommendation 5.2			
1. The independent directors possess all the qualifications and none of the disqualifications to hold the positions.	Compliant		
Recommendation 5.3			
<p>1. The independent directors serve for a cumulative term of nine years.</p> <p>As far as the 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.</p> <p>For other covered entities, all previous terms served by the 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.</p>	Compliant	The independent directors have not yet reached the cumulative term of nine (9) years as they were just recently appointed.	
2. The company bars an independent director from serving in such capacity after the term limit of nine years.	Compliant		

ANNUAL CORPORATE GOVERNANCE REPORT			
	COMPLIANT/ NON- COMPLIANT	ADDITIONAL INFORMATION	EXPLANATION
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 seek shareholders' approval during the annual shareholders' meeting.	Compliant		
Recommendation 5.4			
1. The positions of Chairman of the Board and Chief Executive Officer are held by separate individuals.	Compliant	The Chairman of the Board is Mr. Oscar Chua while the Chief Executive Officer is Mr. Gordon Alan Joseph. Both of them have clearly defined responsibilities which are outlined in the Company's by-laws.	
2. The Chairman of the Board and Chief Executive Officer have clearly defined responsibilities.	Compliant		
Recommendation 5.5			
1. If the Chairman of the Board is not an independent director or where the roles of Chairman and CEO are being held by one person, the Board designates a lead director among the independent directors.	Compliant	The Board has designated Mr. John Alcorido as the lead director among the independent directors.	
Recommendation 5.6			
1. Directors with material interest in a transaction affecting the corporation abstain from taking part in the deliberations on the transaction.	Compliant	The Company has not encountered this instance as of writing. However, it is the Company's policy that Directors and officers with personal interest in the transaction abstain from taking part in the deliberations on the transaction.	
Recommendation 5.7			

ANNUAL CORPORATE GOVERNANCE REPORT			
	COMPLIANT/ NON- COMPLIANT	ADDITIONAL INFORMATION	EXPLANATION
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 Corporation upholds to perform these periodic meetings with the recent appointment of independent directors.
2. The meetings are chaired by the lead independent director.	Non-compliant		
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 self-assessment of its performance as a whole.	Compliant	The Board has set up an Appraisal Process for it to conduct annual evaluation of its performance including the performance of the Chairman, individual members and committees. A self-Assessment Score Card is accomplished to determine the score level of performance of the Board in terms of best governance practices. A Peer Evaluation is also undertaken to foster constructive review of individual performances.	With the recent acquisition of the Corporation by Arthur J. Gallagher (Bermuda) Holding Partnership and the appointment of independent directors, the Corporation intends to revisit its Appraisal Process to be in line with Gallager's standard assessment process.
2. The Board assesses the performance of the Chairman annually.	Compliant		
3. The Board assesses the performance of the individual member of the Board annually	Compliant		
4. The Board assesses the performance of each committee annually.	Compliant		
5. Every three years, an external facilitator supports the assessments.	Non-compliant		The Board does not avail of external facilitator service; however, all directors are competent enough to perform their duty.
Recommendation 6.2			

ANNUAL CORPORATE GOVERNANCE REPORT			
	COMPLIANT/ NON- COMPLIANT	ADDITIONAL INFORMATION	EXPLANATION
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, individual directors and committees are assessed based on their performance on the tasks/projects assigned to them. During the annual Board meeting, the stockholders decide on whether to retain them or not.	
2. The system allows for a feedback mechanism from the shareholders.	Compliant	During the annual shareholders' meeting, the shareholders decide whether to retain them or not as directors based on the outcome of the tasks/projects assigned to them.	
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 established its Code of Conduct for all its employees, officers and directors. This can be accessed by the stakeholders thru a centralized shared folder. All new employees, officers and stakeholders are also being oriented during their onboarding with the Company. https://www.philinsure.com.ph/wp-content/uploads/2024/05/Company-Code-of-Conduct.pdf	
2. The Code is properly disseminated to the Board, senior management and employees.	Compliant		
3. The Code is disclosed and made available to the public through the company website.	Compliant		
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 Human Capital and Corporate Engagements department is in-charge in the evaluation of the performance of officers and employees.	

ANNUAL CORPORATE GOVERNANCE REPORT			
	COMPLIANT/ NON- COMPLIANT	ADDITIONAL INFORMATION	EXPLANATION
2. Board ensures the proper and efficient implementation and monitoring of compliance with company internal policies.	Compliant		
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	All shareholders of the Company are given a representative to the Board, thus all actions and issues are also made known to them during the Board meetings.	
Recommendation 8.3			
1. 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.	Compliant	In line with the Company's strategy, the members of the Board were properly screened and carefully selected. The background and reputation of the directors are also important factors in the selection process.	
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.	Compliant		
Recommendation 8.4			

ANNUAL CORPORATE GOVERNANCE REPORT			
	COMPLIANT/ NON- COMPLIANT	ADDITIONAL INFORMATION	EXPLANATION
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 Corporation Code.	Compliant		
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 Revised Corporation Code.	Compliant		
3. Company discloses the remuneration on an individual basis, including termination and retirement provisions.	Compliant		
Recommendation 8.5			
1. Company discloses its policies governing Related Party Transactions (RPTs) and other unusual or infrequently occurring transactions.	Compliant	<p>The Company has adopted a formal RPT policy and is integrated in the Manual on Corporate Governance.</p> <p>Notwithstanding, the Board has agreed to consolidate the functions of the Corporate Governance Committee with the Related Party Transactions Committee considering the limitations such as size of the Corporation, limited number of directors and independent directors, and the non-complexity of the operations of the</p>	

ANNUAL CORPORATE GOVERNANCE REPORT			
	COMPLIANT/ NON- COMPLIANT	ADDITIONAL INFORMATION	EXPLANATION
		Corporation. The consolidated committee is now called the “ Corporate Governance and Related Party Transactions Committee ”, with the following members: 1. John Alcorido (Chairman) 2. Karen Batungbacal 3. John Cullis The newly consolidated committee will revise its RPT policy	
2. Company discloses material or significant RPTs in its Annual Company Report or Annual Corporate Governance Report, reviewed and approved by the Board, and submitted for confirmation by majority vote of the stockholders in the annual stockholders' meeting during the year.	Compliant	As also required by the Philippine Financial Reporting Standards, the material or significant RPTs are disclosed in the notes to the Audited Financial Statements which are also reviewed and approved by the Board.	
Recommendation 8.6			
1. Company's corporate governance policies, programs and procedures are contained in its Manual on Corporate Governance (MCG).	Compliant	The Company's Manual on Corporate Governance is currently published in the Company's website.	
2. Company's MCG is posted on its company website.	Compliant		
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	Compliant		

ANNUAL CORPORATE GOVERNANCE REPORT			
	COMPLIANT/ NON- COMPLIANT	ADDITIONAL INFORMATION	EXPLANATION
appointment, reappointment, removal, and fees of the external auditors.		The appointment and reappointment, including the fees of external auditors are discussed and approved by the Board.	
2. The appointment, reappointment, removal, and fees of the external auditor is recommended by the Audit Committee, approved by the Board and ratified by the shareholders.	Compliant		
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	There were no changes of external auditors for the year.	
Recommendation 9.2			
1. Audit Committee Charter includes the Audit Committee's responsibility on <ul style="list-style-type: none"> 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. 	Non-compliant		<p>The Corporate Governance Manual contains the responsibilities of the Audit Committee but there is no separate Charter.</p> <p>With the establishment of the new Audit and Board Risk Oversight Committee, its Charter is currently being drafted in view of the consolidation of the functions of the two committees, subject to the approval of the Board.</p>

ANNUAL CORPORATE GOVERNANCE REPORT			
	COMPLIANT/ NON- COMPLIANT	ADDITIONAL INFORMATION	EXPLANATION
			The Audit and Board Risk Oversight Committee Charter will encompass the Audit Committee Charter's responsibilities
2. Audit Committee Charter contains the Committee's responsibility on reviewing and monitoring the external auditor's suitability and effectiveness on an annual basis.	Non-compliant		
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	The Company does not engage its external auditors for non-audit services.	
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		
Principle 10: The company should ensure that the material and reportable non-financial and sustainability issues are disclosed.			
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	The Company has just adopted the development of its sustainability report. This is currently being improved and on file with the Board.	

ANNUAL CORPORATE GOVERNANCE REPORT			
	COMPLIANT/ NON- COMPLIANT	ADDITIONAL INFORMATION	EXPLANATION
2. Company adopts a globally recognized standard/framework in reporting sustainability and non-financial issues.	Compliant		
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's website is www.philinsure.com.ph	
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	Internal control issues are promptly addressed by the involved department in coordination with the audit committee and compliance officer especially those that are flagged by the external auditors.	
2. Company has an adequate and effective enterprise risk management framework in the conduct of its business.	Compliant		
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 the company's operations.	Compliant	The Company has an internal audit department head.	
Recommendation 12.3			
1. Company has a qualified Chief Audit Executive (CAE) appointed by the Board.	Non-compliant		The Corporation does not have its own Chief Audit Executive;

ANNUAL CORPORATE GOVERNANCE REPORT			
	COMPLIANT/ NON- COMPLIANT	ADDITIONAL INFORMATION	EXPLANATION
			however, it is subject to the internal audit being performed by the Gallagher Group.
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.	N/A		
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.	N/A		
Recommendation 12.4			
1. Company has a separate risk management function to identify, assess and monitor key risk exposures.	Compliant	The Company prudently manages the risks associated with its business and operations. It has in place an enterprise risk management framework designed to enhance risk management through a holistic and integrated framework so that all material risks faced by the Company are identified, measured, evaluated, mitigated, monitored and appropriately managed.	
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).	Non-Compliant		The Company has currently no appointed CRO, however, the Company's subsidiary, Environmental and Risk Management Services

ANNUAL CORPORATE GOVERNANCE REPORT			
	COMPLIANT/ NON- COMPLIANT	ADDITIONAL INFORMATION	EXPLANATION
2. CRO has adequate authority, stature, resources and support to fulfill his/her responsibilities.	Non-Compliant		Philippines, Inc. supports the Company in its ERM functions.
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	The Manual on Corporate Governance provides the rights of the shareholders.	
2. Board ensures that basic shareholder rights are disclosed on the company's website.	Compliant		
Recommendation 13.2			
1. Board encourages active shareholder participation by sending the Notice of Annual and Special Shareholders' Meeting with sufficient and relevant information at least 21 days before the meeting.	Compliant	All shareholders engage and participate in the shareholders meetings. Notices are prepared by the Corporate Secretary and are given to them prior to the actual meeting in accordance with the Company's by-laws.	
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.	Non-compliant		The Company's shareholders consist of only few companies and individuals (prior to the acquisition) and now solely owned by Gallagher, thus the

ANNUAL CORPORATE GOVERNANCE REPORT			
	COMPLIANT/ NON- COMPLIANT	ADDITIONAL INFORMATION	EXPLANATION
2. Minutes of the Annual and Special Shareholders' Meetings are available on the company website within five business days from the end of the meeting.	Non-compliant		results of the votes taken during the most recent meeting are already known to them during the meeting and does not need to be publicly available.
Recommendation 13.4			
1. Board has an alternative dispute mechanism to resolve intra-corporate disputes in an amicable and effective manner.	Non-Compliant	These are provided under the Company's Manual on Corporate Good Governance.	In reference to Section 181 of Republic Act 11232 or the Revised Corporation Code of the Philippines, the Company's by-laws will be amended to include a provision for alternative dispute resolution in case of intra-corporate disputes.
2. The alternative dispute mechanism is included in the company's Manual on Corporate Governance.	Non-Compliant		
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 between them and the company in creating wealth, growth and sustainability.	Compliant	The Company's major stakeholders are its clients, employees, partner-insurers, service providers, counterparties, government, regulators, competitors, and communities in which the Company operates.	
Recommendation 14.2			

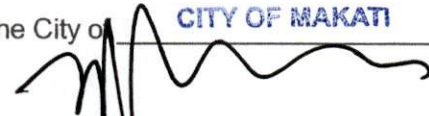
ANNUAL CORPORATE GOVERNANCE REPORT			
	COMPLIANT/ NON- COMPLIANT	ADDITIONAL INFORMATION	EXPLANATION
1. Board establishes clear policies and programs to provide a mechanism on the fair treatment and protection of stakeholders.	Compliant	Contracts with suppliers are all reviewed by the management and the Board when appropriate.	
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	All the officers and employees can be easily contacted. The contact details of the Company's offices were also published in the Company's website.	
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	The Company has implemented various activities that boost the employees morale such as but not limited to kick-off meetings, outing and Christmas parties.	
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 Company has adopted its Anti-corruption Policy and program which is integrated in its Code of Conduct. The same forms part of the Company's onboarding process for new hires.	
2. Board disseminates the policy and program to employees across the organization through trainings to embed them in the company's culture.	Compliant		
Recommendation 15.3			

ANNUAL CORPORATE GOVERNANCE REPORT			
	COMPLIANT/ NON- COMPLIANT	ADDITIONAL INFORMATION	EXPLANATION
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	Compliant	The procedures and guidelines are on the Company's whistleblowing manual. Provision for protection of whistleblowers are also in the policy.	
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.	Compliant	The procedures and guidelines are on the Company's whistleblowing manual.	
3. Board supervises and ensures the enforcement of the whistleblowing framework.	Compliant	The Board and the top management set example in the observance of the Company's core values.	
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	The Company engages in various corporate social responsibility (CSR) activities such as scholarship programs, feeding programs and other humanitarian projects.	

CERTIFICATION


The undersigned certify that the responses and explanations set forth in the above Company's Annual Corporate Governance Report are true, complete and correct of our own personal knowledge and/or based on authentic records.

Signed in the City of CITY OF MAKATI on the MAY 30 2025 of 20.



OSCAR CHUA

Chairman of the Board



GORDON ALAN JOSEPH

President and CEO



ATTY. RIZZA MARIE GARIANDO

Corporate Secretary



ATTY. NEIL OMAR DE LA CENA

Compliance Officer



JOHN ALCORDO

Independent Director

KAREN BATUNGBACAL

Independent Director

MAY 30 2025

SUBSCRIBED AND SWORN to before me this _____ of _____ 20_____,
by the following who are all personally known to me (or whom I have identified through
competent evidence of identity) and who exhibited to me their respective identification
document as follows:

Name	ID No.	Date/Place Issued
1. Oscar Chua	UMID No. CRN-0111-5887727-8	
2. Gordon Alan Joseph	P6036542A	February 15, 2018/DFA Cebu
3. Atty. Rizza Marie Mangubat Gariando	UMID No. CRN 006-1499357-4	
4. Neil Omar de la Cena	Passport No. P6145464A	Issued February 22, 2018/ DFA Manila
5. Karen Batungbacal	Passport No. P9522363A	Issued November 13, 2018/DFA Manila
6. John Alcorido	LTO Driver's License No. G01-86-057838	


ATTY. JOSHUA P. LAPUZ

Notary Public Makati City

Until Dec. 31, 2025

Appointment No. M-016-(2024-2025)

PTR No. 10466007 Jan. 2, 2025 / Makati

IBP Lifetime No. 04897 Roll No. 45790

MCLE Compliance No. VIII-0025286

Valid until April 14, 2028

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Doc No. 500
Page No. 101
Book No. 112
Series 202 5