

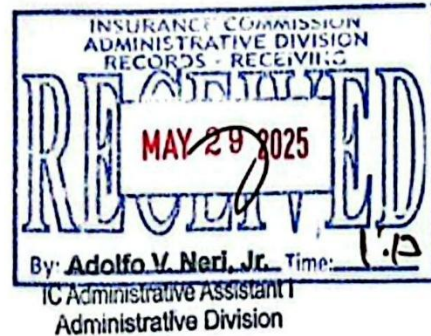


107 EXCHANGE INSURANCE BROKER, INC.

7/F Exchange Corner Bldg., 107 Corner V.A. Rufino & Bolaños Sts.
Legaspi Village, Makati City, Philippines
Tel. Nos. 88185911 ; 88172166 & 88152397
Fax No. 88171104 email: insurphil1964@gmail.com

May 21, 2025

ATTY. REYNALDO AVERILLA REGALADO
Insurance Commissioner
Office of the Insurance Commission
1071 United Nations Avenue
Ermita, Manila



Re : Submission of the 2024 Annual Corporate Governance Report

Dear Honorable Commissioner Regalado:

In compliance with the Insurance Commission's Circular Letter No. 2020-72, we respectfully submit the 2024 Annual Corporate Governance Report (ACGR), in two (2) copies, for the 107 Exchange Insurance Broker, Inc. (the Company).

We hope you find our submission in order.

Very truly yours,

KRISTINA ANGELA T. NAKAYAMA
Corp. Secretary/Acting Compliance Officer

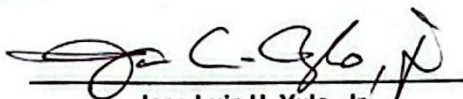
CERTIFICATION

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.

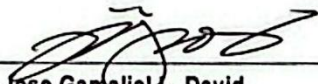
Signed in the City of Makati on the 21st of May 2025



Corazon G. Camanag
Chairman of the Board



Jose Luis U. Yulo, Jr.
President/Director



Jose Gamaliel L. David
Director



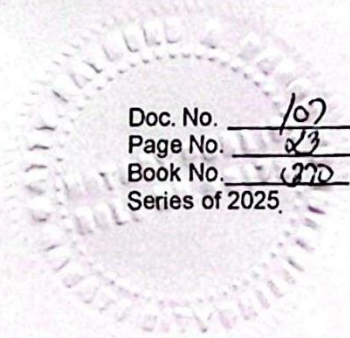
Kristina Angela T. Nakayama
Corp. Secretary/Director

Cesar S. Thelmo
VP-Sales Director

Madonna T. Da Silva
Director


SUBSCRIBED AND SWORN to before me this 29 MAY 2025 day of May, 2025, 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. Jose Luis U. Yulo, Jr.	UMID CRN-0111-048959-3	
2. Corazon G. Camañag	SR ID 5109	10/18/05 Muntinlupa City
3. Jose Gamaliel L. David	TIN 161-579-703	
4. Kristina Angela T. Nakayama	TIN 296-333-020	
5. Cesar S. Thelmo	TIN 123-435-346	
6. Madonna T. Da Silva	TIN 223-477-193	



Doc. No. 107
Page No. 23
Book No. 270
Series of 2025.

NOTARY PUBLIC


ATTY. RAYMOND A. RAMOS
COMMISSION NO. M-229
NOTARY PUBLIC FOR MAKATI CITY
UNTIL DECEMBER 31, 2026
2364 ANGONOSTREET
BARANGAY POBLACION 1210, MAKATI CITY
SC Roll No. 62179/04-26-2013
IBP NO. 499549/01 06-2025/Pasig City
PTR NO. MKT10494504/01-22-2025/Makati City
MCL.E Compliance No. VII-0012898/04 14 2024

INTEGRATED 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	Refer to resumes of the BOD which were uploaded to website and to Qualification standards as mentioned under Sec.2.4.1 of the Corporate Governance Manual	
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.	Non-Compliant		BOD is composed of six (6) members with one (1) non-executive director
Recommendation 1.3			
1. Company provides in its Board Charter or Manual on Corporate Governance a policy on training of directors.	Compliant	At Company's expense, all directors are encouraged to participate in continuing professional education to maintain a competent and efficient BOD. Refer also to Sec. VII- Training Process – Corporate Governance Manual	

2. Company provides in its Board Charter or Manual on Corporate Governance an orientation program for first time directors.	Compliant	Refer to Section VII- Training Process – Corporate Governance Manual. The BOD are encouraged to attend annual continuing professional education which are sponsored by the Company.	
3. Company has relevant annual continuing training for all directors.	Non-Compliant		The company does not have its own annual continuing training but we encourage our Board to regularly attend annual continuing training at Company's expense.
Recommendation 1.4			
1. Board has a policy on board diversity.	Compliant	Refer to Sec. 2.2 Specific Duties and Functions of the Board. The BOD is composed of three male and two female members with expertise in insurance, insurance broking and real estate business; Chairman is a former Chief Executive Officer of the Philippine Stock Exchange and currently the President of the Chamber of Commerce of the Philippine Islands.	
Recommendation 1.5			
1. Board is assisted in its duties by a Corporate Secretary.	Compliant	Refer to page 4- GIS and Sec. 3.5 of the Corporate Governance Manual.	
2. Corporate Secretary is a separate individual from the Compliance Officer.	Non-compliant	The Finance Officer is acting in a temporary capacity as Compliance Officer due to the limited number (only six) of officers and employees .	

3. Corporate Secretary is not a member of the Board of Directors.	Non-Compliant		Mrs. Kristina Angela Nakayama, who is a member of the BOD, was appointed as Corporate Secretary.
4. Corporate Secretary attends training/s on corporate governance.	Compliant	Refer to her resume which was uploaded to website	
Recommendation 1.6			
1. Board is assisted by a Compliance Officer.	Compliant	The Finance Officer who is temporarily acting as Compliance Officer, assists and reports to the BOD. Refer to resume of the Finance Officer uploaded to website.	
2. Compliance Officer has a rank of Senior Vice President or an equivalent position with adequate stature and authority in the corporation.	Non-Compliant		Compliance officer is VP-Accounting, Finance and Administration
3. Compliance Officer is not a member of the board.	Non-compliant	Refer to GIS uploaded to website	
4. Compliance Officer attends training/s on corporate governance.	Non-compliant		To attend Seminars and Trainings when Available
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	All members of the BOD act on fully informed basis, in good faith, with due diligence and care in the utmost interest of the Company. All significant matters are discussed and approved by all members. Refer to minutes of meetings uploaded to website.	

Recommendation 2.2

1. Board oversees the development, review and approval of the company's business objectives and strategy.	Compliant	The BOD together with Top Management prepare the Company's long-term plans , strategy and objectives which include confidential trade secrets.	
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	Review of business objectives and strategy is done during Board meetings.	

Recommendation 2.3

1. Board is headed by a competent and qualified Chairperson.	Compliant	Board Chairman is Mr. Jose Luis U. Yulo, Jr. Refer to his resume uploaded to website.	
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Recommendation 2.4			
1. Board ensures and adopts an effective succession planning program for directors, key officers and management.	Compliant	<p>The Board has adopted an effective succession planning program for directors, key officers and management to ensure growth and stability. Refer also to Sec.2.2 – Specific Duties and Responsibilities of the Board and Sec. III - Management Succession Planning of the Corporate Governance Manual.</p> <p>The Company used to have a Deposit Administration Fund Contract with Insular Life Assurance Company, Inc. providing retirement benefits for certain officers and employees. When it decided to stop operating as an insurance company and surrendered its license in July 2012, the retirement fund was withdrawn and distributed among the qualified officers and employees in July, 2012. At present, 107 EBI recognizes its estimated retirement liability in accordance with R.A. 7641-New Retirement Law. Refer also to Note 13 – 2022 AFS.</p>	
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	Refer to Sec. 3.1 Corporate Governance, Risk and Compliance Committee- Corporate Governance Manual	
2. Board aligns the remuneration of key officers and board members with long-term interests of the company	Compliant		
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	Refer to Sec. 2.2 and 3.1 - Corporate Governance Manual and Art. II , Sec. 6 of the Amended By-Laws uploaded to website.	
2. Board nomination and election policy is disclosed in the company's Manual on Corporate Governance.	Compliant		
3. Board nomination and election policy includes how the company accepted 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	Refer to Company's Related Party Transactions and Sec. 3.2.1 Duties and Responsibilities of the Audit Committee	
2. RPT policy includes appropriate review and approval of material RPTs, which	Compliant		

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.	Compliant		
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	Selection/appointment of key management officers and heads of the other control functions is done during the organizational meeting of the Board.	
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 assesses the performance of the management team and personnel during the annual meeting wherein management provides reports on the results of operation. The Board gives its comment and recommends improvement, when necessary.	
Recommendation 2.9			
1. Board establishes an effective performance management framework that ensures that Management's	Compliant	The Company has less than ten officers and employees ; is not fully	

performance is at par with the standards set by the Board and Senior Management.		operating yet as an insurance broker but merely as lessor of its four condominium units. The Board's gauge of the effective performance management framework and efficient personnel performance is based on the Company's annual results of operations.	
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		
Recommendation 2.10			
1. Board oversees that an appropriate internal control system is in place.	Compliant	The Company has an Internal Control Charter uploaded to website. Refer also to Sec. 3.8 Internal Auditor – Corporate Governance Manual,	
2. The internal control system includes a mechanism for monitoring and managing potential conflict of interest of the Management, members and shareholders.	Compliant		
3. Board approves the Internal Audit Charter.	Compliant		
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	Refer to Sec. 3.1 and 3.6 - Corporate Governance Manual uploaded to website	
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	Refer to Sec. 3.1 and 3.6 - Corporate Governance Manual uploaded to website.	

Recommendation 2.12			
1. Board has a Board Charter that formalizes and clearly states its roles, responsibilities and accountabilities in carrying out its fiduciary role.	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 Company's Corporate Governance Manual and Amended By-Laws uploaded to website.	
2. Board Charter serves as a guide to the directors in the performance of their functions.	Compliant		
3. Board Charter is publicly available and posted on the company's website.	Compliant		
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	Refer to Sec. 3 - Board Oversight Committees , Corporate Governance Manual.	
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.	Non-compliant		The Company's Corporate Governance Manual provides for the creation of an Audit Committee. In the mean-time that it has not yet established this Committee, the Board, as a whole, performs the functions of an Audit Committee
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		Management will recommend to the Board the creation of an Audit Committee.
3. All the members of the committee have relevant background, knowledge, skills,	Non-compliant		Same as 3.2.2

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		Same as 3.2.2
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	Refer to Sec. 3.1- Corporate Governance Manual uploaded to website.	
2. Corporate Governance Committee is composed of at least three members, all of whom should be independent directors.	Non - Compliant		In the mean-time that the Board has not established a Corporate Governance Committee , the entire Board consisting of six (6) members including the Chairman acts as the Committee. The company is still looking for qualified independent director
3. Chairman of the Corporate Governance Committee is an independent director.	Non - compliant		Chairman of the Board/Committee is not an independent director. We will comply with this recommendation as soon as the vacant seats in the Board are completed.
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		The entire Board consisting of six (6) members act as Board Risk Oversight Committee. As soon as the actual number (7) is completed, the Board will proceed, without further delay, the creation of the required oversight committees. Refer to Amended By-Laws and GIS uploaded to website.

2. BROC is composed of at least three members, the majority of whom should be independent directors, including the Chairman.	Non-compliant	BOD is composed of five members including the Chairman, two of whom are independent directors.	BOD is composed of six (6) members including the Chairman, without any independent director.
3. The Chairman of the BROC is not the Chairman of the Board or of any other committee.	Non-compliant		Chairman of the Board is also Chairman of the BROC. As soon as the Company has completed the number of its directors, we will comply with this recommendation.
4. At least one member of the BROC has relevant thorough knowledge and experience on risk and risk management.	Compliant	The BOD members have thorough knowledge and expertise in handling risk and risk management. Refer to resumes uploaded to website.	
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		The entire Board acts as RPT Committee and is headed by the Chairman who is not an independent director. The Board will create the Committee including its functions as soon as possible.
2. RPT Committee is composed of at least three non-executive directors, two of whom should be independent, including the Chairman.	Non-compliant		Same comment as in 3.5.1
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 Board has not yet established any Board committees including their respective Committee Charter. Entire Board carries out the functions of the Board Committees.
2. Committee Charters provide standards for evaluating the performance of the Committees.	Non-compliant		Same as 3.6.1 above

3. Committee Charters were fully disclosed on the company's website.	Non-compliant		Same as 3.6.1 above
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, Committees and shareholders in person or through tele-/videoconferencing conducted in accordance with the rules and regulations of the Commission.	Compliant	Attendance of the Board are shown in the minutes of the meetings.	
2. The directors review meeting materials for all Board and Committee meetings.	Compliant	Agenda of the meetings are sent to the members prior to meeting. Minutes of the previous meetings are reviewed by the board.	
3. The directors ask the necessary questions or seek clarifications and explanations during the Board and Committee meetings.	Compliant	Members of the Board are encouraged and free to ask questions, give their opinion and/or suggestion/recommendation.	
Recommendation 4.2			
1. Non-executive directors concurrently serve in 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	None of the non-executive directors serve as director in other ICREs and/or publicly-listed companies.	
Recommendation 4.3			
1. The directors notify the company's board before accepting a directorship in another company.	Compliant	The directors have no directorship in other company/s other than those which they had at the beginning of their directorship in the Company.	

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 .	Non-compliant	We have seven seats in the Board; three are executive directors, two are independent and two seats are still vacant.	
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Recommendation 5.2

1. The independent directors possess all the qualifications and none of the disqualifications to hold the positions.	Non-compliant	Refer to Board resumes uploaded to website.	
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Recommendation 5.3

<p>1. The independent directors serve for a maximum 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 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>	Non-compliant	As reflected in their respective resumes uploaded to website.	
2. The company bars an independent director from serving in such capacity after the term limit of nine years.	Compliant	Refer to Sec. 2.4.3 and 2.4.4 - Corporate Governance Manual.	

3. In the instance that the company retains an independent director in the same capacity after nine years, the board provides meritorious justification and seeks shareholders' approval during the annual shareholders' meeting.	Compliant	To date, no such occasion.	
Recommendation 5.4			
1. The positions of Chairman of the Board and Chief Executive Officer are held by separate individuals.	Compliant	Chairman of the Board – Jose Luis Yulo; President – Corazon G. Camanag	
2. The Chairman of the Board and Chief Executive Officer have clearly defined responsibilities.	Compliant	Sec. 3.4 Corporate Governance Manual and Art. IV of Amended By-Laws	
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 should designate a lead director among the independent directors.	Non-compliant	.	Chairman of the Board is not independent as he also sits as a director in a related company. We will comply with this recommendation as soon as the vacant seats in the Board are filled up.
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	We never had any transaction wherein a director has a material interest in such transaction.	
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	Non-compliant		The entire BOD acts as Audit Committee who meets the external auditor and internal auditor. Once the vacant seats in the Board is completed, the Company will comply with this recommendation.

ensure that proper checks and balances are in place within the corporation.			
2. The meetings are chaired by the lead independent director.	Non-compliant		For the mean-time that the vacant seats in the Board are not filled up, the Chairman of the Board who is not an independent director acts as Chairman of the Committee.

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		
2. The performance of the Chairman is assessed annually by the Board.	Compliant		
3. The performance of the individual member of the Board is assessed annually by the Board.	Compliant		
4. The performance of each committee is assessed annually by the Board.	Non-compliant		The entire BOD acting as the committees conducts self-assessment.
5. Every three years, the assessments are supported by an external facilitator.	Non-compliant		Same as 6.1.4

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	During the annual stockholders meeting, the stockholders vote whether to retain or not the members of the Board. Stockholders are allowed to express their views or comment on the performance of directors and the results of operation.	
2. The system allows for a feedback mechanism from the shareholders.	Compliant		

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	Refer to Company Code of Business Principles uploaded to website.	
2. The Code is properly disseminated to the Board, senior management and employees.	Compliant	Section VI –Communication Process of the Corporate Governance Manual	
3. The Code is disclosed and made available to the public through the company website.	Compliant	The Company's Code of Business Principles is accessible through Company 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 President discusses and regularly monitors compliance with the other officers and staff.	
2. Board ensures the proper and efficient implementation and monitoring of compliance with company internal policies.	Compliant	All officers and employees are required to comply with the Code of Business Conduct and Ethics. Refer to Item M - Compliance, Monitoring and Reporting of the Code of Business Principles uploaded to website.	

Disclosure and Transparency

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	Refer to Sec. VIII – Corporate Governance Manual uploaded to website.	
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	Refer to resumes of the members of the Board uploaded to website.	
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	Resumes of key executive/s are likewise uploaded to website.	
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 ASEAN Corporate Governance scorecard (ACGS) and the Revised Corporation Code.	Compliant	Refer to Sec. 3.1 –Corporate Governance Manual and Article III, Sec. 6 of the Amended By-Laws uploaded to website.	
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	Compliant	Refer to Sec. 3.1 –Corporate Governance Manual uploaded to website.	

Corporate Governance Report consistent ASEAN Corporate Governance scorecard (ACGS) and the Revised Corporation Code			
3. Company discloses the remuneration on an individual basis, including termination and retirement provisions.	Compliant	This is reported to Board and disclosed to stockholders and can be verified from the alphabetical lists submitted to the BIR.	
Recommendation 8.5			
1. Company discloses its policies governing Related Party Transactions (RPTs) and other unusual or infrequently occurring transactions.	Compliant	Refer to Related Party Transaction Policy uploaded to website.	
2. Company discloses material or significant RPTs in its Annual Company Report or Annual Corporate Governance Report, reviewed and approved by the Board, submitted for confirmation by majority vote of the stockholders in the annual stockholders' meeting during the year.	Compliant	Refer to Notes 8, 14 and 24 to 2022 Audited Financial Statements	
Recommendation 8.7			
1. Company's corporate governance policies, programs and procedures are contained in its Manual on Corporate Governance (MCG).	Compliant	Company's Corporate Governance Manual is posted at 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 appointment, reappointment, removal, and fees of the external auditors.	Compliant	Sec. 3.2 and 3.2.1 Audit Committee of Corporate Governance Manual.	
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	The Board approves the appointment/re-appointment/removal of external auditor/s including their professional fees and ratified 100% by the stockholders present during the annual meeting.	
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.	Non-compliant		In compliance to certain requirement for rotations of external auditors, the Company had to change its auditors in 2013. However, this was not formally disclosed to the regulators and to the public.

Recommendation 9.2

<p>1. Audit Committee Charter includes the Audit Committee's responsibility on:</p> <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. 	Compliant	Refer to Sec. 3.2 and 3.2.1 of the Corporate Governance Manual	
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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	Refer to Sec. 3.2 and 3.2.1 of the Corporate Governance Manual	
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	To date, no engagement for such 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	Refer to Sec. 3.2 and 3.2.1 of the Corporate Governance Manual	
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.	Non-compliant		As of Dec. 31, 2024, the Company does not have a significant or material non-financial information with emphasis on the management of EESG. Nevertheless, if such a situation arises, this will be disclosed in the Notes to AFS.
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. Company should have a website to ensure comprehensive, cost efficient, transparent, and timely manner of disseminating relevant information to the public.	Compliant	The Company's website may be accessed at http://www.insurphil.com	
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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.	Non-compliant		Due to limited personnel, the Company has no adequate internal control system. It relies on the honesty and integrity of its key financial officers who have been with the Company for more than twenty years.
2. Company has an adequate and effective enterprise risk management framework in the conduct of its business.	Compliant		The Company considers credit risk and liquidity risk, among others, as its main risks. The management of these risks are disclosed in Note 24 to the 2024 Audited Financial Statements uploaded to website.

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.	Non-compliant		Due to limited number of personnel, the Finance Officer does the functions of the Internal Auditor in a temporary capacity. She will be replaced as soon as an Internal Auditor is hired.
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Recommendation 12.3			
1. Company has a qualified Chief Audit Executive (CAE) appointed by the Board.	Non-compliant		Same as in 12.2.1 above.
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.	Non-compliant		Same as in 12.2.1 above
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.	Non-compliant		The Company is not fully operating yet as an insurance broker but simply engaged in real estate leasing. Thus, there is no immediate need for an outsourced internal audit activity. The Finance Officer takes the responsibility of an Internal Auditor and reports to the Board.
Recommendation 12.4			
1. Company has a separate risk management function to identify, assess and monitor key risk exposures.	Non-compliant		The Company does not have a separate risk management function as this is included in the Corporate Governance, Risk and Compliance Committee of the Board acting as a whole.
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 entire Board headed by the Chairman acts a Chief Risk officer .
2. CRO has adequate authority, stature, resources and support to fulfill his/her responsibilities.	Compliant	The Chairman and the BOD members have adequate authority, stature , resources and support to fulfill their 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	Refer to Sec. IX–Shareholders Benefits - Manual on Corporate Governance .	
2. Board ensures that basic shareholder rights are disclosed on the company's website.	Compliant	Company's Corporate Governance Manual uploaded to website http://www.insurphil.com	
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 28 days before the meeting.	Compliant	Notice of meeting are mailed to the registered address of each stockholder not less than ten (10) days prior to the date for such meeting. Refer to Art. II – Stockholders Meeting of the Amended By-Laws uploaded to website.	
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 a privately –owned corporation, voting is not by poll but unanimously. Refer to Minutes of stockholders meeting uploaded to website.	
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	Refer to Minutes of Stockholders meeting uploaded to website	
Recommendation 13.4			
1. Board has an alternative dispute mechanism to resolve intra-corporate disputes in an amicable and effective manner.	Non-compliant		The Company is a closed private corporation, thus, intra-corporate dispute, if any, is resolve by the Board.

2. The alternative dispute mechanism is included in the company's Manual on Corporate Governance.	Non-compliant		Same as in item 13.4.1
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Duties to Stakeholders

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 business principles upholds the highest standards of integrity, honesty and mutual respect to all stakeholders. Refer to Code of Business Principles	
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Recommendation 14.2

1. Board establishes clear policies and programs to provide a mechanism on the fair treatment and protection of stakeholders.	Compliant	Refer to Sec. IX –Shareholders Benefits - Manual on Corporate Governance .	
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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	Refer to Sec. IX –Shareholders Benefits - Manual on Corporate Governance . The contact details for relevant contact persons are specified in the Company website.	
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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	Refer to Sec. V- Encouraging Employee Participation - Company's Corporate Governance Code	
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	Refer to Company Code of Business Principles which is disseminated to all officers and employees and uploaded to website	
2. Board disseminates the policy and program to employees across the organization through trainings to embed them in the company's culture.	Compliant	Same as 15.2.1 above	
Recommendation 15.3			
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	Non-compliant		Company's organizational structure is quite simple and small thus; it does not have a formal framework for whistleblowing. Employees have open communication lines with the President and/or the Finance Officer. Both are allowed to report to the Board for any concerns which include illegal or unethical practices.
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.	Non-compliant		Same as 15.3.1
3. Board supervises and ensures the enforcement of the whistleblowing framework.	Non-compliant		Same as 15.3.1

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

<p>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.</p>	<p>Compliant</p>	<p>Refer to the Company's Code of Business Principles uploaded to website.</p>	
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