

ANNUAL CORPORATE GOVERNANCE REPORT

The Mercantile Insurance Co., Inc.
Name of Company

1. For the fiscal year ended December 31, 2022

2. Certificate Authority Number 2022/63-R

3. Philippines

Province, Country or other jurisdiction of incorporation or organization



4. Mercantile Insurance Bldg. Corner Gen. Luna & Beaterio St. Intramuros, Manila

Address of principal office

Postal Code 1002

5. (632) 8527-7701 to 20

Company's telephone number, including area code

6. https://mercantile.ph

Company's official website

7. NONE

Former name, former address, and former fiscal year, if changed since last report.

ANNUAL CORPORATE GOVERNANCE REPORT			
COMPLIANT/ NON- COMPLIANT	ADDITIONAL INFORMATION	EXPLANATION	
The Board's Governance Responsibilities			
<p>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.</p>			
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	Provide information or link/reference to a document containing information on the following:	1. Biographical data of the board of Directors. 2. Manual on Corporate Governance.
2. Board has an appropriate mix of competence and expertise.	Compliant	1. Academic qualifications, industry knowledge, professional experience, expertise and relevant trainings of directors	1. Biographical data of the board of 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	2. Qualification standards for directors to facilitate the selection of potential nominees and to serve as benchmark for the evaluation of its performance	2. Manual on Corporate Governance
Recommendation 1.2 with the			

1. Board is composed of a majority of non-executive directors.	Compliant	Identify or provide link/reference to a document identifying the directors and the type of their directorships	1. General Information Sheet 2022 page 4. Members of the Board and Board committees.
Recommendation 1.3			
1. Company provides in its Board Charter and Manual on Corporate Governance a policy on training of directors.	Compliant	Provide link or reference to the company's Board Charter and Manual on Corporate Governance relating to its policy on training of directors.	1. Manual on Corporate Governance - a policy on training of directors.
2. Company provides in its Board Charter and Manual on Corporate Governance an orientation program policy for first time directors.	Compliant	Provide information or link/reference to a document containing information on the orientation program and trainings of directors for the previous year, including the number of hours attended and topics covered.	2. Manual on Corporate Governance - a policy on orientation program policy for first time directors.
3. Company has relevant annual continuing training for all directors.	Compliant		3. Manual on Corporate Governance - a policy an annual continuing training for all directors.
Recommendation 1.4			
1. Board has a policy on board diversity.	Compliant	Provide information on or link/reference to a document containing information on the company's board diversity policy. Indicate gender composition of the board.	1. Manual on Corporate Governance - a policy on board diversity. 2. Based on GIS 2022 -p4 – Three (3) Female Directors - Nelia T. Liu, Esther Tan, Signid Von De Jesus. (3/8 or 37.50%).
Recommendation 1.5			

1. Board is assisted by a Corporate Secretary.	Compliant	Provide information on or link/reference to a document containing information on the Corporate Secretary, including his/her name, qualifications, duties and functions.	1. GIS 2022 -p4 – Item 9, Sigrid Von De Jesus. By Laws, Article of Incorporation.
2. Corporate Secretary is a separate individual from the Compliance Officer.	Compliant		2. GIS 2022 -p4 – Item 9, Sigrid Von De Jesus.
3. Corporate Secretary is not a member of the Board of Directors.	Non-Compliant		3. Corporate Secretary is a member of the Board of Directors. - GIS 2022 -p4 – Item 9, Sigrid Von De Jesus.
4. Corporate Secretary attends training/s on corporate governance.	Compliant	Provide information or link/reference to a document containing information on the corporate governance training attended, including number of hours and topics covered	Corporate Secretary attends training/s on corporate governance.
Recommendation 1.6			
1. Board is assisted by a Compliance Officer.	Compliant	Provide information on or link/reference to a document containing information on the Compliance Officer, including his/her name, position, qualifications, duties and functions.	1. Secretary Certificate/ Board Resolution.
2. Compliance Officer has a rank of Senior Vice President or an equivalent position with adequate stature and authority in the corporation.	Compliant		2. Secretary's Certificate of the appointed Compliance Officer.
3. Compliance Officer is not a member of the board.	Compliant		GIS 2022 p4 not member of the board. List of the Board and Board Committees.

<p>4. Compliance Officer attends training/s on corporate governance.</p>	<p>Compliant</p>	<p>Provide information on or link/reference to a document containing information on the corporate governance training attended, including number of hours and topics covered</p>	<p>Compliance Officer attended training/s on corporate governance.</p>
<p>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.</p>			
<p>Recommendation 2.1</p>			
<p>1. Directors act on a fully informed basis, in good faith, with due diligence and care, and in the best interest of the company.</p>	<p>Compliant</p>	<p>Provide information or reference to a document containing information on how the directors performed their duties (can include board resolutions, minutes of meeting)</p>	<p>1. Manual on Corporate Governance.</p>
<p>Recommendation 2.2</p>			
<p>1. Board oversees the development, review and approval of the company's business objectives and strategy.</p>	<p>Compliant</p>	<p>Provide information or link/reference to a document containing information on how the directors performed this function (can include board resolutions, minutes of meeting)</p>	<p>1. Manual on Corporate Governance.</p>
<p>2. Board oversees and monitors the implementation of the company's business objectives and strategy.</p>	<p>Compliant</p>	<p>Indicate frequency of review of business objectives and strategy</p>	<p>2. Manual on Corporate Governance.</p>
<p>Recommendation 2.3</p>			

1. Board is headed by a competent and qualified Chairperson.	Compliant	Provide information or reference to a document containing information on the Chairperson, including his/her name and qualifications	1. Biographical data of the Chairman – JTLiu and President Melecio Malillin.
Recommendation 2.4			
1. Board ensures and adopts an effective succession planning program for directors, key officers and management.	Compliant	Disclose and provide information or link/reference to a document containing information on the company's succession planning policies and programs and its implementation	1. Manual on Corporate Governance -- Formulate policies regarding succession plan for Board members, Senior Officers.
2. Board adopts a policy on the retirement for directors and key officers.	Compliant		1. Manual on Corporate Governance - Formulate policies regarding succession plan for Board members, Senior Officers and their remuneration commensurate with corporate and individual performance.
Recommendation 2.5			
1. Board formulates and adopts a policy specifying the relationship between remuneration and performance of key officers and board members.	Compliant	Provide information on or link/reference to a document containing information on the company's remuneration policy and its implementation, including the relationship between remuneration and	1 Manual on Corporate Governance - Compensation.

2. Board aligns the remuneration of key officers and board members with long-term interests of company.	Compliant		1. Manual on Corporate Governance - Compensation.
3. Directors do not participate in discussions or deliberations involving his/her own remuneration.	Compliant		1. Manual on Corporate Governance - Compensation.
Recommendation 2.6			
1. Board has a formal and transparent board nomination and election policy.	Compliant	Provide information or reference to a document containing information on the company's nomination and election policy and process and its implementation, including the criteria used in selecting new directors, how the shortlisted candidates and how it encourages nominations from shareholders.	1. Manual on Corporate Governance - a formal and transparent board nomination and election policy.
2. Board nomination and election policy is disclosed in the company's Manual on Corporate Governance.	Compliant		2. By Laws
3. Board nomination and election policy includes how the company accepted nominations from minority shareholders.	Compliant	Provide proof if minority shareholders have a right to nominate candidates to the board	3. Manual on Corporate Governance
4. Board nomination and election policy includes how the board shortlists candidates.	Compliant	Provide information if there was an	4. Manual on Corporate Governance

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		5. Manual on Corporate Governance
6. Board has a process for identifying the quality of directors that is aligned with the strategic direction of the company.	Compliant		6. Manual on Corporate Governance
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	Provide information on or reference to a document containing the company's policy on related party transaction, including policy on review and approval of significant RPTs	1. Manual on Corporate Governance - Related Party Transaction.
2. RPT policy includes appropriate review and approval of material RPTs, which guarantee fairness and transparency of the transactions.	Compliant	Identify transactions that were approved pursuant to the policy.	2. Manual on Corporate Governance - Related Party Transaction.
3. RPT policy encompasses all entities within the group, taking into account their size, structure, risk profile and complexity of operations.	Compliant		3. Manual on Corporate Governance - Related Party Transaction.
Recommendation 2.8			

<p>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).</p>	<p>Compliant</p>	<p>Provide information on or reference to a document containing the Board's policy and responsibility for approving the selection of management. Identify the Management team appointed</p>	<p>1. ERM Framework.</p>
<p>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).</p>	<p>Compliant</p>	<p>Provide information on or reference to a document containing the Board's policy and responsibility for assessing the performance of management. Provide information on the assessment process and indicate frequency of assessment of performance.</p>	<p>2. ERM Framework.</p>
<p style="text-align: center;">Recommendation 2.9</p>			
<p>1. Board establishes an effective performance management framework that ensures that Management's performance is at par with the standards set by the Board and Senior Management.</p>	<p>Compliant</p>	<p>Provide information on or link/reference to a document containing the Board's performance management framework for management and personnel.</p>	<p>1. Manual on Corporate Governance.</p>

<p>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.</p>	<p>Compliant</p>		<p>2. Manual on Corporate Governance.</p>
<p>Recommendation 2.10</p>			
<p>1. Board oversees that an appropriate internal control system is in place.</p>	<p>Compliant</p>	<p>Provide information on or link/reference to a document showing the Board's responsibility for overseeing that an appropriate internal control system is in place and what is included in the internal control system</p>	<p>1. ERM Framework – P11 Board Audit and Compliance Committee (BAAC)</p>
<p>2. The internal control system includes a mechanism for monitoring and managing potential conflict of interest of the Management, members and shareholders.</p>	<p>Compliant</p>		<p>2. ERM Framework – P9 – Corporate Governance Committee Item 1 to 7</p>
<p>3. Board approves the Internal Audit Charter.</p>	<p>Compliant</p>	<p>Provide reference or link to the company's Internal Audit Charter</p>	<p>1. ERM Framework – P11 Board Audit and Compliance Committee (BAAC)</p>
<p>Recommendation 2.11</p>			
<p>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.</p>	<p>Compliant</p>	<p>Provide information on or link/reference to a document showing the Board's oversight responsibility on the establishment of a sound enterprise risk</p>	<p>1. ERM Framework – Page 12 Risk Oversight Committee (ROC)</p>

<p>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.</p>	<p>Compliant</p>		<p>2. ERM Framework -- Page 12 Risk Oversight Committee (ROC)</p>
<p>Recommendation 2.12</p>			
<p>1. Board has a Board Charter that formalizes and clearly states its roles, responsibilities and accountabilities in carrying out its fiduciary role.</p>	<p>Compliant</p>	<p>Provide link to the company's website where the Board Charter is disclosed.</p>	<p>1. ERM Framework -- Page 24 -- Complete Powers, Duties and Responsibilities of BOD</p>
<p>2. Board Charter serves as a guide to the directors in the performance of their functions.</p>	<p>Compliant</p>		<p>2. ERM Framework -- Page 24 -- Complete Powers, Duties and Responsibilities of BOD</p>
<p>3. Board Charter is publicly available and posted on the company's website.</p>	<p>Compliant</p>		<p>3. Board Charter is already available and posted on the company's website. https://mercantile.ph/about/</p>

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

<p>1. Board establishes board committees that focus on specific board functions to aid in the optimal performance of its roles and responsibilities.</p>	<p>Compliant</p>	<p>Provide information or link/reference to a document containing information on all the board committees established by the company.</p>	<p>1. ERM Framework – Page 24 – Complete Powers, Duties and Responsibilities of BOD</p>
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Recommendation 3.2

<p>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.</p>	<p>Compliant</p>	<p>Provide information or link/reference to a document containing information on the Audit Committee, including its functions. Indicate if it is the Audit Committee's responsibility to recommend the appointment and removal of the company's external auditor.</p>	<p>1. ERM Framework – Page 24 – Complete Powers, Duties and Responsibilities of BOD -Audit Committee.</p>
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<p>2. Audit Committee is composed of at least three appropriately qualified non-executive directors, the majority of whom, including the Chairman is independent.</p>	<p>Compliant</p>	<p>Provide information or link/reference to a document containing information on the members of the Audit Committee, including their qualifications and type of directorship.</p>	<p>2. ERM Framework – Page 9, 11-13 – BAAC, List of members of Board of Directors and Executive officers. -Audit Committee.</p>
<p>3. All the members of the committee have relevant background, knowledge, skills, and/or experience in the areas of accounting, auditing and finance.</p>	<p>Compliant</p>	<p>Provide information or link/reference to a document containing information on the background, knowledge, skills, and/or experience of the members of the Audit Committee.</p>	<p>3. Refer to Biographical Data of Board members.</p>
<p>4. The Chairman of the Audit Committee is not the Chairman of the Board or of any other committee.</p>	<p>Compliant</p>	<p>Provide information or link/reference to a document containing information on the Chairman of the Audit Committee</p>	<p>4. List of members of Board of Directors and Executive officers, Biographical Data of Board members - JTLiu</p>
<p>Recommendation 3.3</p>			

<p>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.</p>	<p>Compliant</p>	<p>Provide information or reference to a document containing information on the Corporate Governance Committee, including its functions</p> <p>Indicate if the Committee undertook the process of identifying the quality of directors aligned with the company's strategic direction, if applicable.</p>	<p>1. ERM Framework – Page 9, item 1-7, 11, 12- Corp. Governance Comm. BAAC, - Duties and Responsibilities of BOD</p>
<p>2. Corporate Governance Committee is composed of at least three members, all of whom should be independent directors.</p>	<p>Compliant</p>	<p>Provide information or link/reference to a document containing information on the members of the Corporate Governance Committee, including their qualifications and type of directorship.</p>	<p>2. Corp. Governance Committee</p>
<p>3. Chairman of the Corporate Governance Committee is an independent director.</p>	<p>Compliant</p>	<p>Provide information or link/reference to a document containing information on the Chairman of the Corporate Governance Committee.</p>	<p>3. Manual of Corporate Governance, GIS 2021</p>

Recommendation 3.4

<p>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.</p>	<p>Compliant</p>	<p>Provide information or link/reference to a document containing information on the Board Risk Oversight Committee (BROC), including its functions</p>	<p>1. ERM Framework – Page 12-13. - Board Risk Oversight Committee (BROC)</p>
<p>2. BROC is composed of at least three members, the majority of whom should be independent directors, including the Chairman.</p>	<p>Compliant</p>	<p>Provide information or link/reference to a document containing information on the members of the BROC, including their qualifications and type of directorship</p>	<p>2. BROC Committee</p>
<p>3. The Chairman of the BROC is not the Chairman of the Board or of any other committee.</p>	<p>Compliant</p>	<p>Provide information or link/reference to a document containing information on the Chairman of the BROC</p>	<p>3. Refer to List of Members of Board of Directors and Executive Officers.</p>
<p>4. At least one member of the BROC has relevant thorough knowledge and experience on risk and risk management.</p>	<p>Compliant</p>	<p>Provide information or link/reference to a document containing information on the background, skills, and/or experience of the members of the BROC.</p>	<p>4. BROC Committee – Biographical Data of Compliance Officer</p>

Recommendation 3.5

<p>1. Board establishes a Related Party Transactions (RPT) Committee, which is tasked with reviewing all material related party transactions of the company.</p>	<p>Compliant</p>	<p>Provide information or link/reference to a document containing information on the Related Party Transactions (RPT) Committee, including its functions.</p>	<p>1. Manual on Corporate Governance –RPT.</p>
<p>2. RPT Committee is composed of at least three non-executive directors, two of whom should be independent, including the Chairman.</p>	<p>Compliant</p>	<p>Provide information or link/reference to a document containing information on the members of the RPT Committee, including their qualifications and type of directorship.</p>	<p>2. Manual on Corporate Governance –RPT.</p>
<p>Recommendation 3.6</p>			
<p>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.</p>	<p>Compliant</p>	<p>Provide information on or link/reference to the company's committee charters, containing all the required information, particularly the functions of the Committee that is necessary for performance evaluation purposes.</p>	<p>1. Manual on Corporate Governance - Committee Charter (Audit, Compliance, Compensation)</p>
<p>2. Committee Charters provide standards for evaluating the performance of the Committees.</p>	<p>Compliant</p>		<p>2. Committee Charter (Audit, Compliance, Compensation)</p>

<p>3. Committee Charters were fully disclosed on the company's website.</p>	<p>Compliant</p>	<p>Provide link to company's website where the Committee Charters are disclosed.</p>	<p>3. Committee Charters were already disclosed on the company's website. https://mercantile.ph/wp-content/uploads/2021/08/COMPLIANCE-COMMITTEE.pdf</p>
<p>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.</p> <p>Recommendation 4.1</p>			

<p>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.</p>	<p>Compliant</p>	<p>Provide information or link/reference to a document containing information on the process and procedure for tele/videoconferencing board and/or committee meetings.</p> <p>Provide information or link/reference to a document containing information on the attendance and participation of directors to Board, Committee and shareholders' meetings.</p>	<p>1. By laws, minutes of meeting, annual meeting, special meeting, teleconferencing or videoconferencing. – Manual on Corporate Governance.</p>
<p>2. The directors review meeting materials for all Board and Committee meetings.</p> <p>3. The directors ask the necessary questions or seek clarifications and explanations during the Board and Committee meetings.</p>	<p>Compliant</p> <p>Compliant</p>	<p>Provide information or link/reference to a document containing information on any questions raised or clarification/explanation sought by the directors</p>	<p>Manual on Corporate Governance – Duties and Responsibilities of Director</p> <p>3. Minutes of meeting, stockholder meeting.</p>

Recommendation 4.2

<p>1. Non-executive directors concurrently serve to a maximum of five Insurance Commission Regulated Entities (IREs) 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.</p>	<p>Compliant</p>	<p>Disclose if the company has a policy setting the limit of board seats that a non-executive director can hold simultaneously.</p> <p>Provide information or reference to a document containing information on the directorships of the company's directors in both listed and non-listed companies</p>	<p>Refer to List of Board Committees, MICI is a non-listed company.</p>
<p>Recommendation 4.3</p>			
<p>1. The directors notify the company's board before accepting a directorship in another company.</p>	<p>Compliant</p>	<p>Provide copy of written notification to the board or minutes of board meeting wherein the matter was discussed.</p>	<p>The corporate structure of MICI as approved by Insurance Commission and registered "Controlled Insurer". Majority of the Board of Directors came within the family of Liu, corporate governance structure.</p>
<p>Principle 5: The board should endeavor to exercise an objective and independent judgment on all corporate affairs</p>			
<p>Recommendation 5.1</p>			
<p>1. The Board has at least twenty percent (20%) independent directors.</p>	<p>Compliant</p>	<p>Provide information or link/reference to a document containing information on the number of independent directors in the board</p>	<p>List of Board and Board Committees. General Information Sheet (GIS), Two (2) Independent Director out the current board member.</p>
<p>Recommendation 5.2</p>			

<p>1. The independent directors possess all the qualifications and none of the disqualifications to hold the positions.</p>	Compliant	Provide information or link/reference to a document containing information on the qualifications of the independent directors.	1. Linked to Biographical data of Esther Tan, Francis Onglatco, GIS-2022 p4.
Recommendation 5.3			
<p>1. The independent directors serve for a cumulative term of nine year.</p> <p>As far as insurance Companies are concerned the foregoing term limit shall be reckoned 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>	Compliant	Provide information or link/reference to a document showing the years IDs have served as such.	1. Biographical data of Esther Tan, Francis Onglatco, GIS-2022 p4.
<p>2. The company bars an independent director from serving in such capacity after the term limit of nine years.</p>	Compliant	Provide information or link/reference to a document containing information on the company's policy on term limits for its independent director	2. Esther Tan and Francis Onglatco have not exceeded the nine (9) years terms as an independent director, GIS -2022 page 4.

<p>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.</p>	<p>Compliant</p>	<p>Provide reference to the meritorious justification and proof of shareholders' approval during the annual shareholders' meeting.</p>	<p>The two (2) Independent Directors have not exceeded the term of nine years, and therefore has not seek approval to extend the services as independent directors.</p>
<p>Recommendation 5.4</p>			
<p>1. The positions of Chairman of the Board and Chief Executive Officer are held by separate individuals.</p>	<p>Compliant</p>	<p>Identify the company's Chairman of the Board and Chief Executive Officer</p>	<p>Refer to list of Board, Board Committees and Officers of MICI, Chairman of the Board – JTLiu, President MCMallilin.</p>
<p>2. The Chairman of the Board and Chief Executive Officer have clearly defined responsibilities.</p>	<p>Compliant</p>	<p>Provide information or link/reference to a document containing information on the roles and responsibilities of the Chairman of the Board and Chief Executive Officer. Identify the relationship of Chairman and CEO.</p>	<p>2. Manual on Corporate Governance, By Laws (Chairman and President)</p>
<p>Recommendation 5.5</p>			

<p>1. If the Chairman of the Board is not an independent director, the board designates a lead director among the independent directors.</p>	<p>Compliant</p>	<p>Provide information or link/reference to a document containing information on a lead independent director and his roles and responsibilities, if any. Indicate if Chairman is independent.</p>	<p>1. GIS-P4, Chairman of the Board – JTLiu (not an independent director) Independent director – Ester Tan Independent director – Francis Onglatco</p>
<p>Recommendation 5.6</p>			
<p>1. Directors with material interest in a transaction affecting the corporation abstain from taking part in the deliberations on the transaction.</p>	<p>Compliant</p>	<p>Provide proof of abstention, if this was the case</p>	<p>No incident occurred affecting material transaction. MICI is a family corp. and majority of directors are family members – Refer to corporate governance structure.</p>
<p>Recommendation 5.7</p>			
<p>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 present.</p>	<p>Compliant</p>	<p>Provide proof and details of said meeting, if any. Provide information on the frequency and attendees of meetings.</p>	<p>The Non-Executive committee had an annual meeting with external auditor with the head of finance.</p>
<p>2. The meetings are chaired by the lead independent director.</p>	<p>Compliant</p>		<p>The meeting was chaired by one of the independent directors.</p>
<p>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.</p>			

Recommendation 6.1

<p>1. Board conducts an annual self-assessment of its performance as a whole.</p>	<p>Non-Compliant</p>	<p>Provide proof of self-assessments conducted for the whole board, the individual members, the Chairman and the Committees</p>	<p>1. Organization Structure is a registered controlled insurer with the Insurance Commission. No performance assessment is made since MICI is a family corporation. Manual on Corporate Governance.</p>
<p>2. The Chairman conducts a self-assessment of his performance.</p>	<p>Non-Compliant</p>		<p>2. Manual on Corporate Governance – the company is family corporation.</p>
<p>3. The individual members conduct a self-assessment of their performance.</p>	<p>Non-Compliant</p>		<p>3. Manual on Corporate Governance – the company is family corporation.</p>
<p>4. Each committee conducts a self-assessment of its performance.</p>	<p>Non-Compliant</p>		<p>4. Manual on Corporate Governance – the company is family corporation.</p>
<p>5. Every three years, the assessments are supported by an external facilitator.</p>	<p>Non-Compliant</p>	<p>Identify the external facilitator and provide proof of use of an external facilitator.</p>	<p>5. Manual on Corporate Governance – the company is family corporation.</p>

Recommendation 6.2

<p>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.</p>	<p>Compliant</p>	<p>Provide information or link/reference to a document containing information on the system of the company to evaluate the performance of the board, individual directors and committees, including a feedback mechanism from shareholders</p>	<p>1 Manual on Corporate Governance – the company is family corporation.</p>
<p>2. The system allows for a feedback mechanism from the shareholders.</p>	<p>Compliant</p>		<p>2. Manual on Corporate Governance – the company is family corporation.</p>
<p>Principle 7: Members of the Board are duty-bound to apply high ethical standards, taking into account the interests of all stakeholders.</p>			
<p>Recommendation 7.1</p>			
<p>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.</p>	<p>Compliant</p>	<p>Provide information on or link/reference to the company's Code of Business Conduct and Ethics.</p>	<p>1. -Code of Discipline.</p>
<p>2. The Code is properly disseminated to the Board, senior management and employees.</p>	<p>Compliant</p>	<p>Provide information on or discuss how the company disseminated the Code to its Board, senior management and employees.</p>	<p>2. Code of Discipline.</p>

<p>3. The Code is disclosed and made available to the public through the company website.</p>	<p>Compliant</p>	<p>Provide a link to the company's website where the Code of Business Conduct and Ethics is posted/ disclosed.</p>	<p>3. The Code is not disclosed and made available to the public through the company website. However, for purposes of transparency, fairness and accountability, Management has instituted risk identification, analysis, evaluation and assessment, process, control in place to mitigate the risk of non-disclosure, inaccuracy and transparency. Disclosure will be made available to the public through the company website.</p>
<p>Recommendation 7.2</p>			
<p>1. Board ensures the proper and efficient implementation and monitoring of compliance with the Code of Business Conduct and Ethics.</p>	<p>Compliant</p>	<p>Provide proof of implementation and monitoring of compliance with the Code of Business Conduct and Ethics and internal policies.</p>	<p>1. Manual - Code of Business Conduct and Ethics.</p>
<p>2. Board ensures the proper and efficient implementation and monitoring of compliance with company internal policies.</p>	<p>Compliant</p>	<p>Indicate who are required to comply with the Code of Business Conduct and Ethics and any findings on non-compliance.</p>	<p>2. Manual Code of Business Conduct and Ethics. -All employees are required to comply with the Code of Business Conduct and Ethics and any findings on non-compliance is/are to be communicated to personnel, monitored and remediated.</p>
<p>Disclosure and Transparency</p>			
<p>Principle 8: The company should establish corporate disclosure policies and procedures that are practical and in accordance with best practices and regulatory expectations.</p>			

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	Provide information on or link/reference to the company's disclosure policies and procedures including reports distributed/made available to shareholders and other stockholders	1. Manual on Corporate Governance.
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	Provide link or reference to the directors' academic qualifications, share ownership in the company, membership in other boards, other executive positions, professional experiences, expertise and relevant trainings attended.	1. ERM Framework – Complete Powers, Duties, Responsibilities of Board.
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	Provide link or reference to the key officers' academic qualifications, share ownership in the company, membership in other boards, other executive positions, professional experiences, expertise and relevant trainings attended.	2. Refer to Biographical Data of the Board of Directors.
Recommendation 8.4			

<p>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.</p>	<p>Compliant</p>	<p>Disclose or provide link/reference to the company policy and practice for setting board remuneration</p>	<p>1. Manual on Corporate Governance– Compensation Comm. - clear disclosure of its policies and procedure for setting Board remuneration, including the level and mix of the same.</p>
<p>1. 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.</p>	<p>Compliant</p>	<p>Disclose or provide link/reference to the company policy and practice for determining executive remuneration</p>	<p>1. Manual on Corporate Governance– Compensation Comm. clear disclosure of its policies and procedure for setting Board remuneration, including the level and mix of the same.</p>
<p>2. Company discloses the remuneration on an individual basis, including termination and retirement provisions.</p>	<p>Non-Compliant</p>	<p>Provide breakdown of director remuneration and executive compensation, particularly the remuneration of the CEO.</p>	<p>The Company do not provide the breakdown of directors' remuneration and executive compensation for President, because of confidentiality.</p>

Recommendation 8.5

<p>1. Company discloses its policies governing Related Party Transactions (RPTs) and other unusual or infrequently occurring transactions in their Manual on Corporate Governance.</p>	<p>Compliant</p>	<p>Disclose or provide reference/link to company's RPT policies</p> <p>Indicate if the director with conflict of interest abstained from the board discussion on that particular transaction.</p>	<p>1. Manual on Corporate Governance- Related Party Transaction.</p>
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<p>2. Company discloses material or significant RPTs reviewed and approved during the year.</p>	<p>Compliant</p>	<p>Provide information on all RPTs for the previous year or reference to a document containing the following information on all RPTs:</p> <ol style="list-style-type: none"> 1. name of the related counterparty; 2. relationship with the party; 3. transaction date; 4. type/nature of transaction; 5. amount or contract price; 6. terms of the transaction; 7. rationale for entering into the transaction; 8. the required approval (i.e., names of the board of directors approving, names and percentage of shareholders who approved) based on the company's policy; and 9. other terms and conditions 	<p>If there is any material or significant RPT to be disclose it is presented in the audited financial statement at the end of the year.</p>
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<p>1. Company's corporate governance policies, programs and procedures are contained in its Manual on Corporate Governance (MCG).</p>	<p>Compliant</p>	<p>Provide link to the company's website where the Manual on Corporate Governance is posted.</p>	<p>2. Manual on Corporate Governance - Company's corporate governance policies, programs and procedures are contained in its Manual on Corporate Governance (MCG).</p>
<p>2. Company's MCG is posted on its company website.</p>	<p>Compliant</p>		<p>3. Manual on Corporate Governance is already posted on the company website.</p> <p>The website of the Mercantile Insurance is https://mercantile.ph.</p>

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

<p>1. Audit Committee has a robust process for approving and recommending the appointment, reappointment, removal, and fees of the external auditors.</p>	<p>Compliant</p>	<p>Provide information or link/reference to a document containing information on the process for approving and recommending the appointment, reappointment, removal and fees of the company's external auditor.</p>	<p>1. ERM Framework - Complete Powers, Duties, Responsibilities of Board. -Audit Committee (Charter)</p>
<p>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.</p>	<p>Compliant</p>	<p>Indicate the percentage of shareholders that ratified the appointment, reappointment, removal and fees of the external auditor.</p>	<p>2. ERM Framework - Complete Powers, Duties, Responsibilities of Board. -Audit Committee (Charter)</p>
<p>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.</p>	<p>Compliant</p>	<p>Provide information on or link/reference to a document containing the company's reason for removal or change of external auditor.</p>	<p>3. ERM Framework - Complete Powers, Duties, Responsibilities of Board. -Audit Committee (Charter)</p>

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	Provide link/reference to the company's Audit Committee Charter	<p>1. ERM Framework - Complete Powers, Duties, Responsibilities of Board.</p> <p>-Audit/Compliance Committee (Charter)</p>
<p>2. Audit Committee Charter contains the Committee's responsibility on reviewing and monitoring the external auditor's suitability and effectiveness on an annual basis.</p>	Compliant	Provide link/reference to the company's Audit Committee Charter	<p>2. ERM Framework - Complete Powers, Duties, Responsibilities of Board.</p> <p>-Audit /Compliance Committee Charter</p>
Recommendation 9.3			
<p>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.</p>	Compliant	Disclose the nature of non-audit services performed by the external auditor, if any.	<p>1. Manual on Corporate Governance – Audit/Compliance Comm.</p>

<p>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.</p>	<p>Compliant</p>	<p>Provide link or reference to guidelines or policies on non-audit services</p>	<p>2. ERM Framework - Complete Powers, Duties, Responsibilities of Board. -Audit/Compliance Committee Charter</p>
<p>Principle 10: The company should ensure that the material and reportable non-financial and sustainability issues are disclosed.</p>			
<p>Recommendation 10.1</p>			
<p>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.</p>	<p>Compliant</p>	<p>Disclose or provide link on the company's policies and practices on the disclosure of non-financial information, including EESG issues.</p>	<p>Refer to Code of Business Conduct/Ethics, Community and environment – Corporate Social Responsibility. (CSR)</p>
<p>2. Company adopts a globally recognized standard/framework in reporting sustainability and non-financial issues.</p>	<p>Compliant</p>	<p>Provide link to Sustainability Report, if any. Disclose the standards used.</p>	<p>Refer to Code of Business Conduct/Ethics, Community and environment – Corporate Social Responsibility. (CSR)</p>
<p>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.</p>			
<p>Recommendation 11.1</p>			

<p>1. The Company should have a website to ensure comprehensive, cost efficient, transparent, and timely manner of disseminating relevant information to the public.</p>	<p>Compliant</p>	<p>Disclose and identify the communication channels used by the company (i.e., website, Analyst's briefing, Media briefings /press conferences, Quarterly reporting, Current reporting, etc.). Provide links, if any.</p>	<p>MICI website https://mercantile.ph, About Us.</p>
<p>Internal Control System and Risk Management Framework</p>			
<p>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.</p>			
<p>Recommendation 12.1</p>			
<p>1. Company has an adequate and effective internal control system in the conduct of its business.</p>	<p>Compliant</p>	<p>List quality service programs for the internal audit functions. Indicate frequency of review of the internal control system</p>	<p>1. Manual - Audit/Compliance Committee Charter.</p>

<p>2. Company has an adequate and effective enterprise risk management framework in the conduct of its business.</p>	<p>Compliant</p>	<p>Identify international framework used for Enterprise Risk Management</p> <p>Provide information or reference to a document containing information on:</p> <ol style="list-style-type: none"> 1. Company's risk management procedures and processes 2. Key risks the company is currently facing 3. How the company manages the key risks <p>Indicate frequency of review of the enterprise risk management framework.</p>	<p>2. MICI adopted ERM framework.</p>
<p>Recommendation 12.2</p>			
<p>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.</p>	<p>Compliant</p>	<p>Disclose if the internal audit is in-house or outsourced. If outsourced, identify external firm.</p>	<p>1. ERM Framework – The Internal audit function of audit is in house.</p>
<p>Recommendation 12.3</p>			

<p>1. Company has a qualified Chief Audit Executive (CAE) appointed by the Board.</p>	<p>Compliant</p>	<p>Identify the company's Chief Audit Executive (CAE) and provide information on or reference to a document containing his/her responsibilities.</p>	<p>1. Audit/Compliance Committee Charter.</p>
<p>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.</p>	<p>Compliant</p>		<p>2. Manual on Corporate Governance - Audit Committee.</p>
<p>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.</p>	<p>Compliant</p>	<p>Identify qualified independent executive or senior management personnel, if applicable.</p>	<p>3. The internal audit is not outsourced, there is Senior management that oversee and has responsibility to managing the internal audit activity.</p>
<p>Recommendation 12.4</p>			
<p>1. Company has a separate risk management function to identify, assess and monitor key risk exposures.</p>	<p>Compliant</p>	<p>Provide information on company's risk management function.</p>	<p>1. MICI ERM framework</p>
<p>Recommendation 12.5</p>			

<p>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).</p>	<p>Non Compliant</p>	<p>Identify the company's Chief Risk Officer (CRO) and provide information on or reference to a document containing his/her responsibilities and qualifications/background.</p>	<p>1. The Company will create and incorporate in our Corporate Governance policies - 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).</p>
<p>2. CRO has adequate authority, stature, resources and support to fulfill his/her responsibilities.</p>	<p>Non Compliant</p>		<p>2. The company will create and incorporate in our Corporate Governance policies - CRO has adequate authority, stature, resources and support to fulfill his/her responsibilities.</p>
<p>Cultivating a Synergic Relationship with Shareholders</p>			
<p>Principle 13: The company should treat all shareholders fairly and equitably, and also recognize, protect and facilitate the exercise of their rights.</p>			
<p>Recommendation 13.1</p>			
<p>1. Board ensures that basic shareholder rights are disclosed in the Manual on Corporate Governance.</p>	<p>Compliant</p>	<p>Provide link or reference to the company's Manual on Corporate Governance where shareholders' rights are disclosed.</p>	<p>1. Manual on Corporate Governance - Board ensures that basic shareholder rights are disclosed in the Manual on Corporate Governance. (MCG).</p>

<p>2. Board ensures that basic shareholder rights are disclosed on the company's website.</p>	<p>Non-Compliant</p>	<p>Provide link to company's website</p>	<p>2. The company not yet disclosed on the company's website. However, for purposes of transparency, fairness and accountability, Management has instituted risk identification, analysis, evaluation and assessment, process, control in place to mitigate the risk of non-disclosure, inaccuracy and transparency. Disclosure will be made of basic shareholder rights on the company's website.</p>
<p>Recommendation 13.2</p>			
<p>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.</p>	<p>Compliant</p>	<p>Indicate the number of days before the annual stockholders' meeting or special stockholders' meeting when the notice and agenda were sent out</p> <p>Indicate whether shareholders' approval of remuneration or any changes therein were included in the agenda of the meeting.</p> <p>Provide link to the agenda included in the company's Information Statement</p>	<p>1. By Laws. (Meetings of stockholders, notice of meetings)</p>
<p>Recommendation 13.3</p>			

<p>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.</p>	<p>Compliant</p>	<p>Provide information or reference to a document containing information on all relevant questions raised and answers during the ASM and special meeting and the results of the vote taken during the most recent ASM/SSM.</p>	<p>1. Minutes of the meeting, Stockholder's meeting.</p>
<p>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.</p>	<p>Non Compliant</p>	<p>Provide link to minutes of meeting in the company website. Indicate voting results for all agenda items, including the approving, dissenting and abstaining votes. Indicate also if the voting on resolutions was by poll. Include whether there was opportunity to ask question and the answers given, if any</p>	<p>2. Minutes of the Annual and Special Shareholders' Meetings are not available on the company website within five business days from the end of the meeting. However, for purposes of transparency, fairness and accountability, Management has instituted risk identification, analysis, evaluation and assessment, process, control in place to mitigate the risk of non-disclosure, inaccuracy and transparency. Uploading will be made on the Minutes of the Annual and Special Shareholders' Meetings on the company website within five business days from the end of the meeting.</p>

Recommendation 13.4

1. Board has an alternative dispute mechanism to resolve intra-corporate disputes in an amicable and effective manner.	Compliant	Provide details of the alternative dispute resolution made available to resolve intra-corporate disputes	1. Manual on Corporate Governance - Board has an alternative dispute mechanism to resolve intra-corporate disputes in an amicable and effective manner.
2. The alternative dispute mechanism is included in the company's Manual on Corporate Governance.	Compliant	Provide link/reference to where it is found in the Manual on Corporate Governance	2 Manual on Corporate Governance - The alternative dispute mechanism is included in the company's Manual on Corporate Governance.

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	Identify the company's shareholder and provide information or reference to a document containing information on the company's policies and programs for its stakeholders.	1. Manual on Corporate Governance.
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Recommendation 14.2

<p>1. Board establishes clear policies and programs to provide a mechanism on the fair treatment and protection of stakeholders.</p>	<p>Compliant</p>	<p>Identify policies and programs for the protection and fair treatment of company's stakeholders</p>	<p>2. Manual on Corporate Governance.</p>
<p>Recommendation 14.3</p>			
<p>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.</p>	<p>Compliant</p>	<p>Provide the contact details (i.e., name of contact person, dedicated phone number or e-mail address, etc.) which stakeholders can use to voice their concerns and/or complaints for possible violation of their rights.</p> <p>Provide information on whistleblowing policy, practices and procedures for stakeholders</p>	<p>1. Manual on Corporate Governance List of Board of Directors, Senior Management. Melecio Mallillin – President, email address – mcmalliin@mici.com.ph, gen_info@mici.com.ph</p>
<p>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.</p>			
<p>Recommendation 15.1</p>			

<p>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.</p>	<p>Compliant</p>	<p>Provide information on or link/reference to company policies, programs and procedures that encourage employee participation.</p>	<p>1. Corporate Governance Policies - Board establishes policies, programs and procedures that encourage employees to actively participate in the realization of the company's goals and in its governance</p>
<p>Recommendation 15.2</p>			
<p>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.</p>	<p>Compliant</p>	<p>Identify or provide link/reference to the company's policies, programs and practices on anti-corruption</p>	<p>1. Corporate Governance Policies - Board sets the tone and makes a stand against corrupt practices by adopting an anti-corruption policy and program in its Code of Conduct.</p>
<p>2. Board disseminates the policy and program to employees across the organization through trainings to embed them in the company's culture.</p>	<p>Compliant</p>	<p>Identify how the board disseminated the policy and program to employees across the organization</p>	<p>1. Manual on Code of Discipline.</p>
<p>Recommendation 15.3</p>			

<p>1. Board establishes a suitable framework for whistleblowing that allows employees to freely communicate their concerns about illegal or unethical practices, without fear of retaliation</p>	<p>Compliant</p>	<p>Disclose or provide link/reference to the company whistle-blowing policy and procedure for employees. Indicate if the framework includes procedures to protect the employees from retaliation. Provide contact details to report any illegal or unethical behavior.</p>	<p>1. Corporate Governance Policies - Board establishes a suitable framework for whistleblowing that allows employees to freely communicate their concerns about illegal or unethical practices, without fear of retaliation</p> <p>mcmalliin@mici.com.ph, gen_info@mici.com.ph</p>
<p>2. Board establishes a suitable framework for whistleblowing that allows employees to have direct access to an independent member of the Board or a unit created to handle whistleblowing concerns.</p>	<p>Compliant</p>		<p>2 Corporate Governance Policies - Board establishes a suitable framework for whistleblowing that allows employees to have direct access to an independent.</p>
<p>3. Board supervises and ensures the enforcement of the whistleblowing framework.</p>	<p>Compliant</p>	<p>Provide information on how the board supervised and ensured enforcement of the whistleblowing framework, including any incident of whistleblowing.</p>	<p>3. Corporate Governance Policies - Board supervises and ensures the enforcement of the whistleblowing framework.</p>
<p>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.</p> <p>Recommendation 16.1</p>			

<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>Provide information or reference to a document containing information on the company's community involvement and environment-related programs.</p>	<p>Refer to Corporate Social Responsibility (CSR)</p>
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CERTIFICATION

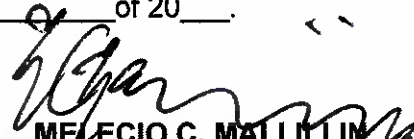
The undersigned certify that the responses and explanations set forth in the above Company's Annual Corporate Governance Report are true, complete and correct of our own personal knowledge and/or based on authentic records.

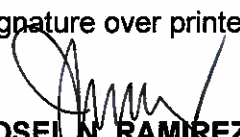
Signed in the City of MANILA on the 14 JUN 2023 of 20 .


JUSTIN T. LIU
CHAIRMAN OF THE BOARD
Signature over printed name


SIGRID VON D. DE JESUS
CORPORATE SECRETARY
Signature over printed name


ESTHER C. TAN
INDEPENDENT DIRECTOR
Signature over printed name


MELECIO C. MALLILLIN
PRESIDENT/CEO
Signature over printed


JOSEF N. RAMIREZ
CORPORATE GOVERNANCE COMPLIANCE OFFICER
Signature over printed name


FRANCIS T. ONGLATCO
INDEPENDENT DIRECTOR
Signature over printed name

SUBSCRIBED AND SWORN to before me this 14 JUN 2023 day 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 as follows:

NAME	ID NO.	EXPIRATION DATE/PLACE ISSUED
1. DFA-PASSPORT	P5976456A	02-08-2028 / DFA MANILA
2. LTO – DRIVERS LICENSE	N1877024912	10-26-2026 / LTO
3. DFA-PASSPORT	P7841252A	06-05-2028 / DFA PAMPANGA
4. SSS ID	33-3661130-6	N/A
5. DFA-PASSPORT	3965893B	11-25-2029 / DFA MCR EAST
5. DFA-PASSPORT	P5688239B	10-27-2030 / DFA MANILA

Doc. No. 523 :
Page No. 105 :
Book No. 111 :
Series of 2023 .


RAINER P. DELA FUENTE
NOTARY PUBLIC

Notary Commission No. 2023-039

valid until 31 Dec 2024

Roll No. 60583

PTR NO. MLA-0847830 (2023)

IBP LIFE MEMBER NO. 12525 – 3/11/14

MCLF Comp. No. VII-0016350 – valid until 14 April 2025