MANUAL ON
CORPORATE GOVERNANCE (MCG)

OF

Affinitas Insurance Brokers, Inc.

affinitas

Making Healthcare Better

For the fiscal year ended 31 December 2024
Company Reg. No. CS200260990
Company TIN 223-143-213

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I. Introduction

This Manual shall be known as the "Corporate Governance Manual of Affinitas Insurance Brokers, Inc".

This Manual shall also serve as the Board Charter and its Code of Conduct which should be used by the directors to guide them as to the proper discharge of their roles, duties & responsibilities and accountabilities, among other Board-related matters.

Hence, the Board, management, other officers and all employees of the Corporation hereby commit themselves to the principles and practices contained in this Manual and acknowledge that the same will guide them in the development and achievement of the Corporation's goals.

Lastly, to enjoin industry-wide compliance, this Manual is posted and available on the Corporation's website for easy access of all employees, officers, directors, and all stakeholders of the Corporation.

Corporate Mission and Vision

Mission:

Our most important asset is our relationship with our clients.
It is a value that consumes, defines and saturates our identity as a company.

Vision:

At Affinitas, our vision is not focused on becoming the biggest.
We are committed to becoming the finest

II. Definitions

Code – refers to the Code of Corporate Governance of the Philippines.

Commission – refers to the Insurance Commission.

Corporation – refers to Affinitas Insurance Brokers, Inc.

Executive director - a director who has executive responsibility of day-to-day operations of a part or the whole of the organization.

Independent Directors - An independent director is a person who, apart from shareholdings and fees received from the corporation, is independent of management

and free from any business or other relationship which could, or could reasonably be perceived to materially interfere with the exercise of independent judgment in carrying out the responsibilities as a director.

Interlocking Directors - Interlocking directors are persons who serve as member of the board of directors of two or more competing corporations or corporations engaged in practically the same kind of business.

Non-executive Director – A non-executive director is a member of the corporation's board of directors who is not part of the executive team. This director typically does not engage in the day-to-day management of the organization but is involved in policymaking and planning exercises.

Related-party Transactions - A contract of the corporation with (1) one or more of its directors, trustees, officers or their spouses and relatives within the fourth civil degree of consanguinity or affinity or with another corporation with interlocking director/s with the Corporation.

Self-dealing Transactions – A situation wherein a director or officer is dealing with his/her own corporation.

Stakeholder - any individual, organization or society at large who can either affect and/or be affected by the company's strategies, policies, business decisions and operations, in general. This includes, among others, customers, creditors, employees, suppliers, investors, as well as the government and community in which it operates.

III. The Corporate Governance Framework

Corporate Governance is the system of stewardship and control that guides the Company in fulfilling its long-term economic, moral, legal and social obligations towards its stakeholders. It is a system of direction, feedback and control using regulations, performance standards and ethical guidelines to hold the Board and Senior Management accountable for ensuring ethical behavior - reconciling long-term customer satisfaction with shareholder value to the benefit of all stakeholders and society. Its purpose is to maximize the Corporation's long-term success, creating sustainable value for its shareholders, stakeholders and the nation.

The Company's corporate governance framework is based on the following principles:

The Board's Governance Responsibilities

1. The company should be headed by a competent, working board to foster the long-term success and sustainability of the corporation consistent with its corporate objectives and the long-term best interests of its shareholders and other stakeholders.

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.

3. Board committees should be set up to the extent possible to support the effective 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.

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.

5. The board should endeavor to exercise an objective and independent judgment on all corporate affairs.

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.

7. Members of the Board are duty-bound to apply high ethical standards, taking into account the interests of all stakeholders.

Disclosure and Transparency

8. The company should establish corporate disclosure policies and procedures that are practical and in accordance with best practices and regulatory expectations.

9. The company should, thru the Audit Committee, establish standards for the appropriate selection, appointment, reappointment, removal, and fees of the external auditor, and exercise effective oversight of the same to strengthen the external auditor's independence and enhance audit quality. Any movement on the same shall be reported to the IC and to other regulators e.g. SEC and must be posted in the company website as disclosure.

10. The company should ensure that the material and reportable non-financial and sustainability issues are disclosed.

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.

Internal Control System and Risk Management Framework

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.

Cultivating a Synergic Relationship with Shareholders

13. The company should treat all shareholders fairly and equitably, and also recognize, protect and facilitate the exercise of their rights.

Duties to Stakeholders

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.

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.

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.

IV. Corporate Governance Structure

1. The Board of Directors

a. Composition

The Board shall be composed of at least seven (7) directors who are elected by the stockholders in accordance with RA 11232 or the Revised Corporation Code. The number of directors may vary but will not be so small as to limit sources

of insights and inputs and, at the same time, not be so large as to unnecessarily make decision-making a tedious process.

The Board will be composed mostly of non-executive directors, selected from a broad pool of qualified candidates, who possess the necessary qualifications with collective experience and expertise, relevant to the insurance industry specially in healthcare and medical insurance lines.

The Board likewise aims to have an appropriate mix of competence and expertise by ensuring that its members continually possess the necessary qualifications for their positions individually and collectively. Full disclosure of all relevant and material information on every member, both executive and non-executive, shall be necessary to evaluate and assess the director's experience, qualifications, and competence, including possible conflicts of interest that might affect performance of his duty and judgment.

At least one-third (1/3) of the members of the Board shall be independent directors, in order to promote the independence of the board in making judgments on corporate affairs free from the views of senior management and to substantiate proper checks and balances.

b. Diversity

The Corporation recognizes and welcomes diversity in the Board of Directors. Such diversity is established in not only in age, gender, cultural and educational background, but also in their skills, knowledge and expertise.

The Board, through the Corporate Governance Committee, shall ensure that at least 30% of Board members are women and that diversity metrics (gender, age, expertise, and tenure) are reported annually in the Annual Corporate Governance Report.

c. Nomination and Selection

Nomination of the directors shall be conducted at a reasonable period prior to the Annual Stockholders' Meeting. Notices for the opening and the last day of the nomination shall be posted and communicated to every stockholder before such period. All nominations shall be signed by the nominating stockholder/s and accepted by the prospective nominees.

A final list of the nominees containing all their qualifications and relevant information shall be made and released to all stockholders at a reasonable time before the Annual Stockholders' Meeting.

To further guide the shareholders on who to nominate as prospective candidates, the following standards are placed:

i. The nominee must possess not only the knowledge and skills, but also the proper and experience necessary for a director;
ii. The nominee must have an overall record of reliability and good repute;
iii. It must be clear that the nominees has sufficient time to carry out his/her duties and responsibilities, in case he/she would be elected; and
iv. The nominee must possess excellent interpersonal skills to work together with the shareholders and the other members of the Board.

d. Orientation Program for First-time Directors

First-time directors shall undergo a two (2) day orientation program which aims to promote effective board performance and continuing qualifications of the directors to guide them in carrying-out their duties and responsibilities. The orientation program will ensure that new members of the Board are appropriately apprised of their duties and responsibilities, before beginning their directorships.

The Orientation Program will feature topics on corporate governance as mandated by the Insurance Commission which will include, but will not be limited, to the following:

i. Code of Corporate Governance for Insurance Commission-Regulated Companies;
ii. Annual Corporate Governance Report;
iii. Board Responsibilities;
iv. Illegal activities of corporations/ directors/officers;
v. Protection of minority shareholders;
vi. Liabilities of directors;
vii. Confidentialities;
viii. Conflict of interest;
ix. Related Party Transactions;
x. Enterprise Risk management; and
xi. Case studies and Financial Reporting and Audit.

Aside from this, the Corporation undertakes to require all directors to attend a seminar on corporate governance conducted by a duly recognized private or government institute before assuming office or as soon as practicable.

e. Powers and Duties of the Board

Unless otherwise provided by law, the corporate powers of the corporation shall be exercised, all business conducted and all property of the corporation controlled and held by the Board of Directors to be elected by and from among the

stockholders. Without prejudice to such powers as may be granted by law, the Board of Directors shall also have the following powers:

i. From time to time, to make and change rules and regulations not inconsistent with the corporation's articles of incorporation, by-laws and Philippine laws for the management of the corporation's business and affairs;

ii. To purchase, receive, take or otherwise acquire for and in the name of the corporation, any and all properties, rights, or privileges, including securities and bonds of other corporations, for such consideration and upon such terms and conditions as the Board may deem proper or convenient;

iii. To invest the funds of the corporation in other corporations or for purposes other than those for which the corporation was organized, subject to such stockholders' approval as may be required by law;

iv. To incur such indebtedness as the Board may deem necessary, to issue evidence of indebtedness including without limitation, notes, deeds of trust, bonds, debentures, or securities, subject to such stockholders' approval as may be required by law, and/or pledge, mortgage, or otherwise encumber all or part of the properties of the corporation;

v. To establish pension, retirement, bonus, or other types of incentives or compensation plans for the employees, including officers and directors of the corporation;

vi. To prosecute, maintain, defend, compromise or abandon any lawsuit in which the corporation or its officer is either plaintiffs or defendants in connection with the business of the corporation;

vii. To delegate, from time to time, any of the powers of the Board which may lawfully be delegated in the course of the current business of the corporation to any standing or special committee or to any officer or agent and to appoint any person to be an agent of the corporation with such powers and upon such terms as may be deemed fit;

viii. To implement the corporation's by-laws and to act on any matter not covered therein, provided such matter does not require the approval or consent of the stockholders under the Revised Corporation Code of the Philippines.

Meanwhile, the duties of the Board include, but are not limited, to the following:

i. To formulate and update the company's business objectives and strategic direction, as well as to oversee, review and assess its overall development;

ii. To formulate policies which would enhance the monitoring of the implementation of the company's business objectives and strategy in order to sustain the company's long-term viability and strength;

iii. To frequently review business objectives and strategies.

f. Meetings, Notices, Quorum, Conduct of the Meetings

To ensure that the directors act on a fully informed basis, in good faith, with due diligence and care, and in the best interest of the company, the following policies are put in place:

i. Regular meetings of the Board shall be held once a month on such dates and places as may be called by the Chairman, or upon the request of a majority of the Directors. Non-Executive Directors shall have periodic meetings with the external auditor/s and committee chairman of audit, compliance and risk management, which shall be presided by a non -executive director.

ii. Notice of the regular or special meetings of the Board, specifying the date, time and place of the meeting shall be communicated by the Secretary to each director personally, or by telephone, telegram, or by written message. This requirement may be waived, either expressly or impliedly, by a director.

iii. A majority of the number of directors as fixed in the Articles of Incorporation shall constitute a quorum for the transaction of corporate business and every decision of at least a majority of the directors present at a meeting which there is a quorum shall be valid as a corporate act, except for the election of officers which shall require the vote of a majority of all the members of the Board.

iv. Meetings of the Board shall be presided over by the Chairman, or in his/her absence, by any other director chosen by the Board.

v. The Corporate Secretary shall act as secretary of every meeting. If such is not present, the Chairman or the presiding officer of the meeting shall appoint a secretary for the meeting.

g. Board Committees

The Board shall constitute the following Committees each with specialized tasks and powers to assist the Board in its functions.

i. Audit Committee

The Audit Committee will be the Board's tool to enhance its oversight capability over the company's internal control system, financial reporting, overall audit processes, and compliance.

The Audit Committee is headed by a qualified non-executive director acting as Chairman, and another director as its member. All of the members of the committee must have relevant background, knowledge, skills, and/or experience in the areas of accounting, auditing and finance.

The Audit Committee is responsible for overseeing the senior management in establishing and maintaining an adequate, effective and

efficient internal control framework. It ensures that systems and processes are designed to provide assurance in areas including reporting, monitoring compliance with laws, regulations and internal policies, efficiency and effectiveness of operations, and safeguarding of assets.

The Audit Committee has the following duties and responsibilities, among others:

(a) Performs oversight functions over the corporation's Internal and External Auditors. As part of this oversight function, ensures the independence of Internal and External Auditors, and their unrestricted access to all records, properties and personnel which would aid them in the performance of their respective audit functions;

(b) Recommends the approval the Internal Audit Charter (IA Charter), as well as oversees its implementation;

(c) Reviews and approves the Financial Statements before their submission to the Board, with particular focus on the changes, exercise of judgment and discretion, capability to continue as a going concern, and compliance with accounting standards and tax, legal and regulatory requirements

(d) Monitors and evaluates the sufficiency and efficacy of the corporation's internal control system, integrity of financial reporting, and security of physical and information assets geared to safeguard the company's resources and ensure their effective utilization, prevent fraud and other irregularities, protect the accuracy and reliability of the company's financial data, and ensure compliance with applicable laws and regulations;

(e) Develops a formal enterprise risk management plan and oversees its overall implementation. Such risk management plan must contain the following elements:

(i) common language or register of risks,

(ii) well-defined risk management goals, objectives and oversight,

(iii) uniform processes of assessing risks and developing strategies to manage prioritized risks,

(iv) designing and implementing risk management strategies, and

(v) continuing assessments to improve risk strategies, processes and measures.

(f) Evaluates the risk management plan to ensure its continued relevance, comprehensiveness and effectiveness;

(g) Assesses the probability of each identified risk becoming a reality and estimates its possible significant financial impact and likelihood of occurrence;

(h) Ranks these areas of concerns according to the probability of their occurrence and their overall impact on the performance and stability of the corporation and its stakeholders;

(i) Handles all issues related to the external auditor such as approval, recommendation of appointment, reappointment, removal, and compensation, subject to the shareholders' ratification; and

(j) Responsible for assessing the integrity and independence of external auditors and exercising effective oversight to review and monitor the external auditor's independence and objectivity and the effectiveness of the audit process.

ii. Corporate Governance Committee

The Corporate Governance Committee is tasked to assist the Board in the performance of its corporate governance responsibilities.

The Corporate Governance Committee is headed by a qualified non-executive director acting as Chairman, and another director as its member. All of the members of the committee must have relevant background, knowledge, skills, and/or experience in the areas of corporate governance.

The functions of the Corporate Governance Committee are as follows:

(a) Oversees the implementation of the corporate governance framework and periodically reviews the said framework to ensure that it remains effective and true to its purpose;

(b) Adopts corporate governance policies and ensures that these are reviewed and updated regularly, and consistently implemented;

(c) Oversees the periodic performance evaluation of the Board and its committees;

(d) Conducts an annual self-evaluation of the Board's performance and ensures that the results of the Board evaluation are shared, discussed, and that concrete action plans are developed and implemented to address the identified areas for improvement;

(e) Proposes and plans relevant trainings for the members of the Board, as well as other officers;

(f) Determines the nomination and election process for the company's directors and has the special duty of defining the general profile of board members that the company may need and ensuring

appropriate knowledge, competencies and expertise that complement the existing skills of the Board; and

(g) Establishes a formal and transparent procedure to develop a policy for determining the remuneration of directors and officers that is consistent with the corporation's culture and strategy as well as the business environment in which it operates.

iii. Business Risk Oversight Committee

The Business Risk Oversight Committee is hereby constituted as a separate and independent Board Committee, distinct from the Audit Committee, to ensure focused and effective oversight over the Corporation's Enterprise Risk Management (ERM).

The Business Risk Oversight Committee is composed of a Chairman who must be an Independent Director and of at least one (1) non-executive director and

The Chief Risk Officer (CRO) shall act as resource person. The President/CEO, Chief Compliance Officer (CCO), and other senior officers may attend as resource persons when required.

The duties and responsibilities, among others, are:

(a) Recommend for Board approval the Risk Management Policy, Risk Appetite Statement (RAS), and ERM Framework;

(b) Ensure the integration of risk management into the Corporation's strategic planning and decision-making;

(c) Identify, assess, and monitor key risk exposures, including but not limited to: strategic, financial, operational, data privacy, compliance, AML/CTF, reputational, and ESG risks;

(d) Oversee the Business Continuity Plan (BCP) and Disaster Recovery Plan (DRP);

(e) Review risk reports and ensure that mitigation measures are implemented on a timely basis;

(f) Coordinate with the Audit Committee on risk issues with financial implications;

(g) Conduct an annual assessment of the risk management system's adequacy and effectiveness and report its findings to the Board.

The Business Risk Oversight Committeee shall meet at least quarterly, maintain minutes of all meetings, and submit a formal report to the Board after each session.

iv. Common Provisions

The Chairman of any of the specialized committees may not be the Chairman of the Board or any of the other committees.

2. Members of the Board of Directors

a. Qualifications

i. must be of legal age,

ii. must be an owner of at least one share of the corporation, and

iii. must not possess any of the disqualifications below.

b. Disqualifications

A person is disqualified from being elected as a director if:

i. within five years prior to the election, he/she was convicted by final judgment by a local or foreign court:

(a) of an offense punishable by imprisonment for a period exceeding six (6) years;

(b) of a violation of the Revised Corporation Code; or

(c) of a violation of the Securities Regulation Code.

ii. he/she was found by a local or foreign authority to be administratively liable for any offense involving fraudulent acts within the same five year period prior to his/her election.

iii. he/she has been judicially, declared insolvent, spendthrift or unable to enter into a contract; and

iv. he/she was a director, officer or an employee of a closed insurance company or any insurance intermediary and was responsible for such institution's closure as determined by the Insurance Commission.

c. Duties and Responsibilities

i. To remain fit and proper for the position for the duration of his/her term;

ii. To devote time and attention necessary to properly discharge his/her duties and responsibilities;

iii. To act judiciously and thoroughly evaluate the issues, ask questions and seek clarifications when necessary;

iv. To participate actively in the decision-making process;

v. To keep himself/herself abreast and updated of the statutory and regulatory requirements affecting the corporation and insurance industry, and where applicable, the requirements of the Insurance Commission and other regulatory agencies; and

vi. To conduct annual performance evaluation of the Board

d. Remuneration

By resolution of the Board, and consistent with the ASEAN Corporate Governance Scorecard (ACGS) and the Revised Corporation Code (RCC), each director shall receive a reasonable per diem allowance for his/her attendance at each meeting of the Board. As compensation, the Board shall receive and allocate an amount of not more than ten percent (10%) of the net income before income tax of the corporation during the preceding year. Such compensation shall be determined and apportioned among the directors in such manner as the Board may deem proper, subject to the approval of stockholders representing at least a majority of the outstanding capital stock at a regular or special meeting of the stockholders. This provision shall likewise be applicable to Officers and Executives.

e. Retirement and Succession for Directors

The Board would ensure continuous growth by adopting an effective succession program for Directors. This program would include setting a standard retirement age for directors to promote management succession, dynamism and avoid perpetuation in power.

Succession planning has, as its primary consideration, the transfer of company leadership from retiring or departing directors to highly competent and qualified individuals who would be assets to the company.

A Management Succession Plan shall be maintained by the Corporate Governance Committee and reviewed annually to ensure leadership continuity for critical roles. It shall be applicable to key officers (President, CCO, CRO, Treasurer).

f. Independent Directors

An Independent Director should not be:

i. a regular director, officer or employee of the Corporation, its subsidiaries, affiliates or related companies during the past three (3) years counted from the date of his/her election/appointment;

ii. a regular director, officer, or employee of the Corporation's substantial stockholders and their related companies during the past three (3) years counted from the date of his/her election/appointment;

iii. an owner of more than two percent (2%) of the outstanding shares or a stockholder with shares of stock sufficient to elect one (1) seat in the board of directors of the Corporation, or in any of its related companies or of its majority corporate shareholders;

iv. a relative by affinity or consanguinity within the fourth (4th) degree of a director, officer, or stockholder holding shares of stock sufficient to elect one (1)

seat in the board of the Corporation or any of its related companies or of any of its substantial stockholders;

v. acting as a nominee or representative of any director or substantial shareholder of the Corporation, any of its related companies or any of its substantial shareholders;

vi. retained as professional adviser, auditor, consultant, agent or counsel of the Corporation, any of its related companies or any of its substantial shareholders, either in his/her personal capacity or through his/her firm during the past three (3) years counted from the date of his/her election/appointment;

vii. dependent of management. He/she must be free from any business or other relationship, has not engaged and does not engage in any transaction with the Corporation or with any of its related companies or with any of its substantial shareholders;

viii. appointed in the Corporation, its subsidiaries, affiliates or related companies as Chairman "Emeritus", "Ex-Officio", Regular Directors, Officers or Members of any Advisory Board, or otherwise appointed in a capacity to assist the Board in the performance of its duties and responsibilities during the past three (3) years counted from the date of his/her election/appointment;

ix. affiliated with any non-profit organization that receives significant funding from the Corporation or any of its related companies or substantial shareholders; and

x. employed as an executive officer of another company where any of the Corporation's executives serve as regular directors.

In addition, the Independent Director must only serve for a cumulative term of Nine (9) years, maximum. After such term, the holder shall be barred from holding the same position and capacity, unless the Insurance Commission approves of the request justifying for the retention, including allowance to seek shareholder's approval during the annual shareholders meeting.

3. Corporate Officers

To determine whether a person is fit and proper to be an officer of the corporation, his/her track record as well as educational and employment background should be considered. In addition, he/she must have the competencies relevant to the function and a mastery of the skills required for such position. Relatively, full disclosure of all relevant and material information on every officer and executive shall be necessary to evaluate and assess the director's experience, qualifications, and competence, including possible conflicts of interest that might affect performance of his duty and judgment.

A person's reputation and probity shall also be taken into consideration. This will be assessed through favorable recommendations from previous

workplaces or employers, observed conduct and behavior, performance reviews, as well as interviews by the management and the Board.

All officers of the corporation shall undergo corporate governance trainings at least once every year in order to keep them updated and abreast with developments and innovations in corporate governance.

Officers may be allowed to hold multiple offices but never those which are prohibited by law and those which would promote power concentration and destroy proper checks and balances. All officers shall have a term of one (1) year or until their successors are duly elected and qualified.

a. The President

The President shall be the Chief Executive Officer of the Corporation. He/she shall be the overall manager for its day-to-day operations and thus shall be primarily accountable to the Board in promoting the long-term interest of the Corporation.

As the CEO of the Corporation and as its overall manager whose main task is to ensure its effective discharge of functions, the following duties are imposed:

i. Oversee the operations of the Corporation and manages its human and financial resources in accordance with the Corporation's strategic plan;

ii. Possess excellent working knowledge of the corporation's industry and market;

iii. Guide and assess the work of the officers of the corporation;

iv. Lead the creation of a corporate culture while motivating the corporation's employees;

v. Act as the link between internal operations and external stakeholders;

vi. Execute all contracts and to enter into all authorized transactions in behalf of the Corporation;

vii. Exercise, as Chief Executive Officer (CEO), the power of supervision and control over subordinate officers and all other powers that may be granted by the Board; and

viii. Recommend to the Board the appointment, promotion or removal of the officers of the Corporation;

b. The Chairman

To ensure that the Board is headed by a competent and qualified leader, the Chairman is to be selected among the members of the Board based on his/her seniority in the corporation, expertise and experience in the healthcare insurance industry, relevant experience in corporate governance, and his/her tenure as a member of the Board.

To ensure independence and promote checks and balances, the Chairman shall not hold any other corporate position aside from his/her directorship.

As the leader of the Board whose main task is to ensure its effective discharge of functions, and as the main presiding officer in all of the Board's meetings, the following duties are imposed:

i. Make sure that the meeting agenda focuses on strategic matters;
ii. Promote critical discussion among the members;
iii. Promote a safe and welcoming environment for dissenting views;
iv. Make sure that a sound decision making process is always followed;
v. Make sure that members of the Board possess accurate, timely, and relevant information which would help them in decision-making; and
vi. Conduct annual performance evaluation of the Board, including of the Chairperson conducted by the Board.

c. The Corporate Secretary

The Corporate Secretary, who should be a Filipino citizen and a resident of the Philippines, is an essential officer of the Corporation. He/she promotes corporate governance by ensuring that the Board is equipped with all relevant and necessary information and tools which they need to fulfill their respective obligations as individual directors as well as being members of the Board. In order to do this, the corporate secretary must have extensive knowledge of the laws and regulations which apply to the Corporation and the insurance industry, in general.

The Corporate Secretary is a separate individual from the Compliance Officer.

The Corporate Secretary is primarily responsible to the corporation and its shareholders, and not to the Chairman or President of the Corporation and has, among others, the following duties and responsibilities:

i. Safekeeps and preserves the minutes of the meetings of the Board and its committees, as well as other official records of the corporation;
ii. Keeps abreast on relevant laws, regulations, all governance issuances, relevant industry developments and operations of the corporation, and advises the Board and the Chairman on all relevant issues as they arise;
iii. Works fairly and objectively with the Board, Management and stockholders and contributes to the flow of information between the Board and management, the Board and its committees, and the Board and its stakeholders, including shareholders;
iv. Advises on the establishment of board committees and their terms of reference;
v. Informs members of the Board, in accordance with the by-laws, of the agenda of their meetings at least five (5) working days in advance, and ensures

that the members have before them accurate information that will enable them to arrive at intelligent decisions on matters that require their approval;

vi. Attends all Board meetings, except when justifiable causes, such as illness, death in the immediate family and serious accidents, prevent him/her from doing so;

vii. Performs required administrative functions;

viii. Oversees the drafting of the by-laws and ensures that they conform with regulatory requirements; and

ix. Performs such other duties and responsibilities as may be mandated by the Insurance Commissioner, to include other regulatory agencies, as well as other applicable laws, rules and regulations.

d. Treasurer

As the Chief Financial Officer of the Corporation, the treasurer shall have the following duties:

i. To keep full and accurate accounts of receipts and disbursements in the books of the Corporation;

ii. To have custody of, and be responsible for, all the funds, securities and bonds of the Corporation;

iii. To deposit in the name and to the credit of the Corporation, in such bank as may be designated from time to time by the Board of Directors, all the moneys, funds, securities, bonds and similar valuable effects belonging to the Corporation which may come under his/her control;

iv. To render and annual statement showing the financial condition of the Corporation and such other financial reports as the Board or the President may require;

v. To prepare such financial reports, statements, certifications and other documents which may, from time to time, be required by government rules and regulations and to submit the same to the proper government agencies; and

vi. To exercise such powers and perform such duties and functions as may be assigned to him by the President.

e. The Chief Compliance Officer (CCO)

The Board shall appoint a Chief Compliance Officer for Corporate Governance who shall directly report to the Chairman of the Board. However, the Chief Compliance Officer is primarily responsible to the corporation and its shareholders, and not to the Chairman or even the President of the Corporation.

The Chief Compliance Officer should have sufficient stature and experience equivalent to that of an AVP. He/she has, among others, the following duties and responsibilities:

i. Handles the orientation process and training program for first-time directors;

ii. Prepare a welcome kit which shall be furnished to each first-time director upon the latter's election. The director's kit contains, among other things, this Manual, the Articles of Incorporation and By-Laws and the Corporate Code of Conduct;

iii. Monitors, reviews, evaluates and ensures the compliance by the corporation, its officers and directors with the relevant laws, this Code, rules and regulations and all governance issuances of regulatory agencies;

iv. Identifies and reports violations to the Board and recommends the imposition of appropriate disciplinary action against those responsible;

iv. Verifies the accuracy of all documentary submissions to regulators;

v. Acts as the representative of the Corporation and appears before the Insurance Commission when summoned in relation to compliance with the Code;

vi. Collaborates with other departments to properly address compliance issues, which may be subject to investigation;

vii. Identifies possible areas of compliance issues and works towards the resolution of the same;

viii. Ensures the attendance of board members and key officers to relevant trainings;

ix. Submits periodic reports to the Chairman before every Annual BOD meeting or at such time as he/she may be required; and

xi. Performs such other duties and responsibilities as may be mandated by the Insurance Commissioner.

f. External Auditor

At the regular stockholders' meeting, the external auditor of the corporation for the ensuing year shall be appointed. The external auditor shall examine, verify and report on the earnings and expenses of the corporation.

g. Chief Risk Officer

The Board shall appoint a Chief Risk Officer (CRO) who shall be a non-executive director independent from executive functions and other operational responsibilities.

The CRO shall have sufficient stature, authority, and seniority within the Corporation. He/she shall have access to such information as he/she deems necessary to form his/her judgment. The CRO shall have direct access to the Board of Directors and the Audit Committee without any impediment. The CRO shall serve on a full-time basis and shall functionally meet/report to the Board of Directors or Audit Committee and such meetings shall be duly minuted and adequately documented. In this regard, the Board of Directors shall review and

approve the performance and compensation of the CRO, and budget of the risk management function.

V. Dealings with Related Parties and other Transactions

We are committed to upholding the principles of sound corporate governance, which include the recognition and protection of the fundamental rights of shareholders, stakeholders, especially including employees. As the key stakeholder group, they shall be entitled to participate meaningfully in the decisions that influence the strategic direction and long-term success of our company.

1. Dealings with Shareholders

Our governance practices are designed to promote accountability, fairness, and transparency—ensuring that shareholders can exercise their rights fully and without discrimination.

a. Right to Participate in Shareholders' Meetings

All shareholders are entitled to **receive timely and accurate notice** of Annual and Special Shareholders' Meetings. These meetings provide a forum for the discussion of company performance, election of directors, and approval of key decisions. Notices include the meeting agenda, date, time, venue (or virtual access details), and instructions for proxy voting. Shareholders have the right to attend, speak, ask questions, and vote on resolutions during these meetings. The company ensures inclusive participation, including options for remote attendance, where legally and logistically feasible. Minutes shall be made available for every shareholder at the soonest practicable time, including in company website, with due consideration to existing company policies on confidentiality.

b. Right to Vote on Corporate Matters

Shareholders have the right to **vote on material decisions** affecting the company. Voting rights are proportionate to their shareholding, unless otherwise stipulated by law or the articles of incorporation.

Voting rights cover, inter alia:

Election and removal of directors;
Amendments to the articles of incorporation and by-laws;
Approval of mergers, acquisitions, or significant asset disposals;
Ratification of corporate actions and audited financial statements;
Appointment of independent auditors; and
Other matters the Board deems participation of Shareholders is necessary

Votes may be cast in person, electronically, or through a duly appointed proxy.

c. **Right to Elect and Remove Directors**

Shareholders play a central role in determining the composition of the Board of Directors. Elections are conducted fairly and transparently, with shareholders given sufficient information on each nominee. We support **cumulative voting,** where allowed, to give minority shareholders a stronger voice in board representation. Shareholders may also propose candidates and vote to remove directors when justifiable grounds exist.

d. **Right to Dividends and Profit-Sharing**

Shareholders are entitled to receive **a fair share in the profits** of the company, subject to the availability of unrestricted retained earnings and approval of the Board of Directors. Dividends may be in the form of cash, stock, or property.
The dividend declaration policy is disclosed and aligned with the company's financial performance and capital requirements. Dividends, once declared, are distributed within prescribed legal timelines, unless otherwise set by the Board through a resolution.

e. **Right to Pre-Emptive Rights**

Shareholders have the **pre-emptive right to subscribe to new shares** issued by the company in proportion to their existing shareholdings, unless such right is expressly waived or limited by the articles of incorporation or by shareholders themselves.

This right ensures that:

'i. Shareholders can **maintain their proportional ownership** and voting power;

v. Dilution of ownership is prevented unless explicitly authorized by the shareholders;

vi. All new issuances of capital stock, whether common or preferred, are subject to this right unless excluded under specific legal exceptions (e.g., private placements, employee stock plans with shareholder approval); and

vii. Pre-emptive rights are exercised within a reasonable period, as defined in the notice of the offering.

Provided, preemptive right shall not extend to shares issued in compliance with laws requiring stock offerings or minimum stock ownership by the public; or to shares issued in good faith with the approval of the stockholders representing two-thirds (2/3) of the outstanding capital stock, in exchange for property needed for corporate purposes or in payment of a previously contracted debt

f. **Right to Access Information**
Shareholders are entitled to receive timely and adequate information to make informed decisions.

Accessible information includes:

Annual and quarterly financial statements;
Notices and minutes of shareholders' meetings;
Board resolutions and material disclosures;
Ownership structure and related-party transactions;
Policies on corporate governance, risk management, and sustainability; and
Inspection of corporate books and records may be allowed in accordance with the law, provided that the request is made in good faith and for a legitimate purpose.

g. **Right to Equal Treatment**
All shareholders—whether majority or minority, local or foreign—are entitled to **equal protection and treatment** under company policies and applicable law. Each shareholder has access to the same information relevant to their rights. No arbitrary distinctions or discriminatory practices are tolerated in decision-making or disclosure.

h. **Right to Legal Remedies**
In cases of abuse, unfair practices, or violation of shareholder rights, shareholders may seek appropriate legal and regulatory remedies. This includes (1) Filing complaints with the Securities and Exchange Commission, The Insurance Commission, or other relevant government regulator and instruments, and agencies. (2) Seeking damages or injunctions in cases of fraud, mismanagement, or dilution of rights.

i. **Exercising appraisal rights** in certain corporate actions, such as mergers or asset sales.

2. Dealings with Stakeholders

Sound corporate governance extends the protection of rights and observance of fair, ethical, and responsible treatment even to other stakeholders. The company recognizes that relationships with clients, suppliers, employees, regulators, and the broader community are essential to sustainable success.

a. Stakeholder Recognition and Inclusion in Governance

The Board of Directors and senior management acknowledge the critical role of stakeholders in the company's long-term viability and public trust. Key stakeholders include:

i. **Clients and policyholders**, who rely on us for objective and professional insurance advice;
ii. **Suppliers and service providers**, who support our operational, outsourced services, and technology infrastructure;
iii. **Employees and agents**, who shares our commitment to the community, upholding our performance and service standards;
iv. **Regulators**, who safeguard the integrity of the insurance and financial sectors;
v. **Insurance providers and partners**, who depend on our professional conduct and due diligence in the exercise of our functions; and
vi. **Communities and the public**, who expect responsible corporate behavior and transparency.

Stakeholder interests are considered in our decision-making processes, risk assessments, and corporate strategy.

b. Rights of Suppliers and Service Providers

Suppliers are essential partners in our service delivery and are entitled to the following rights under our governance and procurement policies:

i. **Fair and Transparent Selection**
Suppliers are selected based on merit, qualifications, quality of service, ethical standards, and cost competitiveness through transparent procurement practices.
ii. **Clear and Equitable Contracts**
Contracts outline agreed deliverables, pricing, timelines, confidentiality clauses, and dispute resolution mechanisms. Exploitative terms are discouraged and ensure clarity in contract provisions.
iii. **Timely and Accurate Payment**
Payments are made in accordance with contract terms. Any payment delays are communicated and justified transparently.
iv. **Confidentiality and Data Privacy**
Supplier data are duly protected and expect the same diligence from suppliers when handling client or company information.

v. **Opportunity for Feedback**
Suppliers have the opportunity to evaluate their relationship with the company and raise concerns or recommendations without fear of reprisal.

c. **Stakeholder Grievance and Redress Mechanism**
As part of its commitment to accountability and stakeholder protection, the company provides **formal mechanisms for stakeholders to raise concerns, report unfair practices, and seek redress** for any violation of their rights or ethical treatment.

i. **Open Communication Channels**
Stakeholders may communicate directly with our **Compliance Officer, or with the SAVP for Administration and Finance,** through secure and accessible channels, such as:
(a) Face to Face meeting with the above-mentioned officers.
(b) Phone hotlines during business hours.
(c) Written letters addressed to the head office.

ii. **Confidentiality and Non-Retaliation Policy**
Stakeholders who raise concerns in good faith shall always be protected by the company. Anonymous reports may also be accepted through whatever communication means preferred by the aggrieved party, subject to proper verification procedures.

iii. **Transparent Resolution Process**
Complaints are acknowledged within a reasonable period and reviewed objectively. Affected parties are kept informed of the resolution process and outcome. Findings from grievance cases are reported to management and, where appropriate, the Corporate Governance or Related Party Transactions Committee.

3. Dealings with Employees

The company believes that employee active engagement is crucial to business success, including corporate governance. This is done through several programs that link individual performance to organizational objectives. These include frequent goal-setting workshops, incentive schemes for performance, cross-functional team activities that prompt employees to offer ideas, own results, and strive to improve continuously in client service delivery and operational excellence, including opportunity to establish rapport with each other through out of town trips like company outing.

To enable employee participation in governance, we hold routine orientation sessions and training exercises on our Manual of Expectations (Code of Conduct), compliance requirements, and ethical principles. Employees are compelled to ensure transparency, accountability, and professionalism in all transactions with well-defined procedures for reporting concerns or unethical acts through open door policy and other channels of communication, both private and otherwise. Updates on governance and reminders on compliance are communicated through internal bulletins and town hall meetings to ensure that staff are aware and aligned with regulatory and internal requirements.

These channels of communication include employee feedback surveys, messaging through electronic platforms, and constant communication with management. These allow staff to raise issues, propose changes, and be heard. By infusing participation into our culture, we produce a work environment in which each employee is at once a contributor to the success of the firm and a guardian of its reputation and ethical practices.

4. Compliance Policies

a. Related party transactions and self-dealings shall be valid but will be closely monitored. They should be conducted in the regular course of business, similar to any other transaction, and not under more favorable economic terms to such related parties, provided that they be under similar circumstances.

b. In order to ensure that the dealings would remain on an "arm's length basis", the price-setting mechanism may include a bidding process, utilization of an external expert, or conspicuous posting and publication of the related transaction.

c. All related party transactions and self-dealings will be recorded and properly documented. These records shall be included in periodic submissions to the Commission as part of the Corporation's compliance with Corporate Governance mandates e.g. Annual Corporate Governance Report

The reports will also be used as basis for assessing the Corporation's policies on self-dealings, related party transactions and other similar transactions.

d. Related party transactions and self-dealings are voidable unless all the following conditions are present:

i. The presence of such director in the board meeting in which the contract was approved was not necessary to constitute a quorum for such meeting;

ii. The vote of such director was not necessary for the approval of the contract;

iii. The contract is fair and reasonable under the circumstances;

iv. At least an independent director votes to approve the contract; and

v. In case of an officer, the contract has been previously authorized by the board of directors.

Regardless of the presence of the aforementioned conditions, the contract may still be ratified but only by the vote of the stockholders representing at least two-thirds (2/3) of the outstanding capital stock in a meeting called for the purpose.

In such meeting or prior to, if practicable, full disclosure of the adverse interest of the directors involved should be made. In all cases however, the contract must be fair and reasonable under the circumstances.

5. Disclosure of Dealings with Related Parties and other Transactions

Related Party Transactions and Self-Dealings

The members of the Board, stockholders, and other officers shall disclose to the board whether they directly, indirectly or on behalf of third parties, have a financial interest in any transaction or matters affecting the Corporation. Directors and officers who have a potential interest in any related party transaction must recuse from voting on the approval of the related party transaction. Meanwhile, those who are involved in possible conflict of interests shall disassociate from participating in the decision-making process and abstain in the discussion, approval and management of such transaction or matters affecting the Corporation.

Directors will disclose all self-dealings and related-party transactions during the Annual Stockholders' Meeting and the Annual Board of Directors Meeting.

Interlocking Directors

Except in cases of fraud, and provided the contract is fair and reasonable under the circumstances, a contract between the Corporation and another corporation having interlocking directors shall not be invalidated on that ground alone: Provided, That if the interest of the interlocking director in one (1) corporation is substantial and the interest in the other corporation or corporations is merely nominal, the contract shall be subject to the provisions of the preceding section insofar as the latter corporation or corporations are concerned.

Stockholdings exceeding twenty percent (20%) of the outstanding capital stock shall be considered substantial for purposes of interlocking directors.

Disloyalty of Directors

Where a director, by virtue of such office, acquires a business opportunity which should belong to the corporation, thereby obtaining profits to the prejudice of such corporation, the director must account for and refund to the latter all such profits, unless the act has been ratified by a vote of the stockholders owning or representing at least two thirds (2/3) of the outstanding capital stock. This provision shall be applicable, notwithstanding the fact that the director risked one's own funds in the venture.

6. Conflict of Interest arising from related party transactions, self-dealings and other similar transactions

A director holds no less than a position of trust and should be therefore treated as a fiduciary of the corporation. As such, when conflict of interest arises, the Board must make sure that the involved director will incur liability for his/her disloyal act.

Transactions which involve conflict of interest are highly discouraged. Conflict of interest occurs or arises when:

i. A director, officer, stockholder, or employee's individual private or related interest interferes in any way, or is perceived to interfere, with the interests of the Corporations as a whole.

ii. A director, officer, stockholder, or employee takes actions or has interests that may make it difficult for him to preserve his/her objectivity and carry out his/her tasks effectively.

iii. A director, officer, stockholder or employee, or a member of his/her family, receives improper personal benefits because of his/her position in the Corporation.

VI. Corporate Governance Assessment and Monitoring

1. Risk-management Policy

The Corporation seeks to establish a separate risk management policy to identify, evaluate and monitor key risk exposures. Such policy shall be geared towards identifying, measuring, monitoring and reporting risk on an industry-wide basis and shall be the Corporation's method for overseeing the risk-taking activities across the

Corporation's operations, as well as in evaluating whether these remain consistent with its risk appetite and strategic direction.

Lastly, the risk management policy must guarantee that the risk governance framework remain appropriate relative to the complexity of risk-taking activities of the Corporation.

The Risk Management personnel shall possess sufficient experience and qualifications, as well as mastery of risk disciplines. They shall have the ability and willingness to challenge business lines regarding all aspects of risk arising from the Corporation's activities.

The risk management personnel will have the following duties, among others:

i. Define a risk management strategy;
ii. Identify the key risk exposures and assessing and measuring the extent of risk exposures of the Corporation;
iii. Identify and analyze key risk exposures relating to economic, environmental, social and governance (EESG) factors and the achievement of the Corporation's strategic objectives;
iv. Evaluate and categorize each identified risk using the Corporation's predefined risk categories and parameters;
v. Establish a risk register with clearly defined, prioritized and residual risks;
vi. Develop a risk mitigation plan for the most important risks, as defined by the risk management strategy;
vii. Monitor and assess decisions to accept particular risks whether these are consistent with Board-approved policies on risk tolerance and the effectiveness of the corresponding risk mitigation measures;
viii. Communicate and report significant risk exposures including business risks, control issues and risk mitigation plan to the Audit Committee;
ix. Monitor and evaluate the effectiveness of the Corporation's risk management processes; and
x. Report, on a regular basis, to senior management, the Audit Committee, and Board of Directors of the results of assessment and monitoring.

2. Internal Control System

The Corporation adopts an Internal Control System designed to provide reasonable assurance regarding the achievement of objectives in the following categories:

(a) effectiveness and efficiency of operations;
(b) reliability of financial and management reporting; and

(c) compliance with applicable laws, regulations and internal policies.

a. Governance and Model.

The Corporation follows the **Three Lines of Defense** model:

(i) First Line – Operations Management owns and manages risks and embeds controls in day-to-day processes;

(ii) Second Line – Risk Management and Compliance provide risk oversight, policy-setting, monitoring and advisories; and

(iii) Third Line – Internal Audit provides independent assurance on the adequacy and effectiveness of governance, risk management and internal controls.

b. ***Control Environment.***

The Board sets the tone at the top and promotes integrity, ethics and competence. Policies include a Code of Conduct, Conflict of Interest Policy, Related Party Transactions (RPT) Policy, Whistleblowing/Non-Retaliation Policy, and Delegation of Authority.

c. ***Risk Assessment and Control Activities.***

Management conducts periodic risk and control self-assessments (RCSA) to identify and evaluate risks and to design appropriate controls, including preventive, detective and corrective controls. Control activities include segregation of duties, approvals and authorizations, reconciliations, physical and logical access controls, exception and breach management, maker–checker arrangements, and monitoring of key risk indicators (KRIs).

d. ***Information and Communication.***

The Corporation maintains reliable information systems and reporting channels to ensure timely, accurate and complete financial and operational information for decision-making and regulatory reporting.

e. ***Monitoring.***

Ongoing and separate evaluations are undertaken by Management, Compliance, Risk Management and Internal Audit. Control deficiencies are documented and remediated within agreed timelines, subject to periodic follow-up and reporting to the Audit Committee and the Board.

f. ***Financial Reporting Controls.***

The Corporation adopts controls over financial reporting, including closing calendars, reconciliation controls, journal entry controls, revenue recognition and receivables controls, estimates and provisioning policies, and review by responsible officers and the Audit Committee prior to Board approval.

g. ***Information Technology General Controls (ITGC).***

ITGCs cover access management (user provisioning, periodic access review, privileged access), change management (development, testing, approval and migration), operations (backups, batch monitoring, incident/problem management), cybersecurity (threat detection, vulnerability management, endpoint protection), and disaster recovery with periodic testing.

h. ***Outsourcing and Vendor Risk Management.***

Third-party engagements are governed by due diligence, risk assessments, service level agreements, confidentiality and data privacy provisions, right-to-audit clauses, and performance monitoring. Material outsourcing arrangements require prior Board approval and periodic reporting.

i. ***Compliance and Regulatory Reporting.***

The Chief Compliance Officer (CCO) oversees adherence to applicable laws, regulations and circulars, including Insurance Commission (IC) governance issuances, AMLA, Data Privacy Act, and tax and labor regulations. Regulatory submissions are reviewed by the CCO prior to filing within prescribed timelines.

j. ***Internal Audit Independence.***

Internal Audit has an approved Charter, unrestricted access to records, personnel and properties, and functionally reports to the Audit Committee. The Internal Audit Plan is risk-based and reviewed at least annually. Significant findings and the status of corrective actions are reported to the Audit Committee.

k. ***Annual Review and Certification.***

The Board, with the assistance of the Audit Committee, conducts an annual assessment of the Internal Control System's adequacy and effectiveness, taking into account internal and external audit results, risk and compliance reports, and significant control incidents. Results of the review shall be considered in the Annual Corporate Governance Report and disclosed as appropriate.

3. Management Performance Evaluation and Assessment

a. Board of Directors

An assessment process is the best measure of the Board's effectiveness is through an assessment process. Hence, 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. Such assessment should be led and conducted by the Chairman in cooperation with the Corporate Governance Committee. Ideally, the evaluation should be conducted annually and may be supported by an external facilitator once every three (3) annual evaluation.

The criteria and process of the assessment shall be established by the Corporate Governance Committee with the approval of the Chairman, as representative of the Board. The collective results will be disclosed in a transparent manner which allows shareholders and stakeholders to determine if the directors are performing their responsibilities to the Corporation.

Results of the Board evaluation shall be disclosed in the Annual Corporate Governance Report submitted to the Insurance Commission and posted on the Corporation's website.

b. Board Committees

All established Board committees would have their own Committee Charters stating in plain terms their respective purposes, memberships, structures, operations, reporting processes, resources and other relevant information. The Charters also provide standards which can be used as basis for evaluating the performance of the Committees.

VII. Alternative Dispute Mechanism

The Corporation adopts an Alternative Dispute Mechanism (ADM) to promote timely, efficient and amicable resolution of disputes in a manner that preserves corporate relationships and reputation, consistent with the Alternative Dispute Resolution Act of 2004 (RA 9285) and applicable regulations.

a. Scope.

This ADM applies to disputes involving or among shareholders, directors, officers, employees, business units, and, when contractually agreed, external stakeholders relating to corporate governance, contractual obligations and other matters arising from corporate relations.

b. Internal Resolution.

Complaints shall first be filed with the Corporate Secretary or the Chief Compliance Officer. The matter shall be referred to the Corporate Governance Committee (or the pertinent Board Committee) to facilitate internal mediation and resolution within fifteen (15) working days from receipt, extendible for just cause.

c. ***Mediation.***

If unresolved, the dispute shall be submitted to mediation administered by the Philippine Dispute Resolution Center, Inc. (PDRCI) or another duly recognized ADR institution. The mediator shall be mutually agreed upon by the parties. Mediation shall be concluded within thirty (30) calendar days from commencement, unless extended by mutual agreement.

d. Arbitration

If mediation fails, the dispute may be referred to arbitration under the PDRCI Arbitration Rules. The seat of arbitration shall be Makati City, Philippines. The arbitral tribunal shall consist of a sole arbitrator unless the parties agree to three (3) arbitrators. The arbitral award shall be final and binding and may be enforced in accordance with law.

e. *Confidentiality.*

All information, pleadings, documents and communications in the ADM proceedings shall be kept confidential and shall not be disclosed to third parties except as required by law or regulatory authority, or for purposes of enforcement of the arbitral award.

f. *Interim Relief.*

Nothing shall preclude a party from seeking interim or conservatory relief from the proper courts or tribunals to preserve rights or assets or to enjoin acts that may cause irreparable injury.

g. *Costs.*

Unless otherwise agreed, mediation and arbitration fees and costs shall be borne equally by the parties, without prejudice to the arbitral tribunal's authority to award costs and attorney's fees in its discretion.

h. *Exceptions.*

The Corporation may directly resort to judicial action in cases involving fraud, willful misconduct, criminal acts, or matters requiring immediate injunctive relief.

VIII. Reportorial or Disclosure System of Corporate Governance Policies

Corporate disclosure policies and procedures should be practical and in accordance with best practices and regulatory expectations. The reports or disclosures required under this Manual shall be prepared and submitted to the IC (and SEC, if necessary) by the respective Board Committee or responsible corporate officer through the Chief Compliance Officer.

Since the Corporation holds transparency in the highest regard, several measures must be placed in order to prevent mishandling and misuse by any stakeholder of the Company's assets.

a. *Public and timely disclosure of material information.* Material information includes changes in Board composition, changes in stock composition and ownership, cash inflows and outflows, acquisition and disposal of assets, and related party transactions, self-dealings and similar transactions.

b. *Disclosure of information as required by law and through public and accessible channels.* All disclosed information shall be released via the approved procedure for the Company announcements and other required reports.

c. *Commitment to full and material disclosure*. The Board shall always aim to fully disclose material information dealings and the timely filing of all required information for the interest of the stakeholders.

d. *Accessibility of Corporate Governance Policies.* To ensure the better protection of shareholders and other stakeholders' rights, the Corporation provides full disclosure of the company's corporate governance policies, programs and procedures by codifying all of these into the Manual on Corporate Governance and making it available to the public.

e. *Disclosure of material non-financial and sustainable issues.* The Corporation aims to inform all shareholders and other stakeholders of the its strategic (long-term goals) and operational objectives (short-term goals), as well as the impact of a wide range of sustainability issues. Disclosures, including of non-financial information, particularly on the management of economic, environmental, social, and governance (EESG) issues, can be made using globally established standards/frameworks, such as the G4 Framework by the Global Reporting Initiative (GRI), the Integrated Reporting Framework by the International Integrated Reporting Council (IIRC) and/or the Sustainability Accounting Standards Board (SASB)'s Conceptual Framework.

IX. Corporate Social Responsibility

The Corporation takes pride in knowing that their clients are happy and satisfied with the services rendered. It believes that insurance is personal and as such, it treats its clients more than just a contract or an account number. It is the company's commitment to their clients that it delivers close and personal attention that the clients require and manage even up to the smallest detail of its program.

Through superior client satisfaction, Affinitas has managed to retain and nurture long-term relationships with almost all of its clients achieving an average persistency ratio of at least 95%.

The Corporation aims to achieve a status of a model and responsible corporate person that contributes to the country's sustainable development and respects the interests and promotes the well-being of the society in general as well as the specific concerns of its various stakeholders.

The Corporation believes that commitment towards social responsibility begins with the exercise of sound and fair corporate practices. These corporate practices apply to the whole Corporation as a juridical entity but also resonates to each and every employee of the Corporation.

The Corporation intends to play a major active role in nation-building through its Corporate Social Responsibility (CSR) initiatives such as reaching out to communities through activities focused on the importance of healthcare insurance coverage, health and wellness orientations, medical missions, and overall social development activities.

In order to accurately measure and evaluate the real impact of the Corporation's Corporate Social Responsibility Programs, a quarterly report shall be submitted to the Corporate Governance Committee on the progress and status of the Corporation's CSR programs, the donations and projects undertaken for the reference quarter including any CSR initiative conceptualized/initiated by employees.

All CSR activities for the year are consolidated and reported in the Corporate Social Responsibility section of the Annual Report and shall be posted on the Corporation's website.

X. Penalties For Non-Compliance With The Manual on Corporate Governance

1. To strictly observe and implement the provisions of this Manual, the following penalties shall be imposed, after due notice and hearing, on the company's directors, officers and staff, in case of violation of any of the provisions of this Revised Manual:

a. First violation - Reprimand
b. Second violation - Suspension from office (The duration of which shall depend on the gravity of the violation)
c. Third violation - Removal from office

2. A fine of not more than One Hundred Thousand Pesos (Php100,000.00) may also be imposed for every year of violation of the Code of Corporate Governance, without prejudice to other sanctions that the Commission may be authorized to imposed under the law.

3. Any violation of this Manual shall be reported by the CCO to the Board and the Insurance Commission as part of the Annual Governance Self-Assessment, when material.

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 QUEZON CITY on the MAY 30 of 2025 20__.

ATTY. FIDEL V. ESQUIERES
CHAIRMAN OF THE BOARD

MR. PETER Y. ESQUIERES
PRESIDENT / CEO

ATTY. KARLO EMMANUEL SJ BARDE
CORPORATE SECRETARY

ATTY. RHONA VERGARA
DIRECTOR

MR. JOSE S. BANTA
INDEPENDENT DIRECTOR

ATTY. HOPE JAMERO
DIRECTOR

MS. DEBBIE LEDESMA
INDEPENDENT DIRECTOR

MR. JOSEPH S. OSEO
CORPORATE GOVERNANCE
COMPLIANCE OFFICER

SUBSCRIBED AND SWORN to before me this ____ day of MAY 30 2025, 20____, by the following who are all personally known to me (or whom I have identified through competent evidence of identity) and who exhibited to me their respective identification document as follows:

NAME	ID No.	Date/Place Issued
1.		
2.		
3.		
4.		
5.		
6.		

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Page No. ; 38
Book No. ; XIII-C
Series of 2024; 25

ATTY. RIZAL JOSE F. VALMORES
NOTARY PUBLIC
UNTIL DECEMBER 31, 2026
ADM MATTER NO. 003
PTR NO. 7016197-D 01-02-2025 / Q.C.
IBP No. 472850 / 10-23-2024 / Q.C.
ROLL NO. 28435
MCLE NO. VIII-0008500 / 05-07-2024
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San Roque, Murphy, Quezon City