

ANNUAL CORPORATE GOVERNANCE REPORT OF

Alliedbankers Insurance Corporation

1. For the fiscal year ended 2023
2. Certificate Authority Number 2022/80-R
3. Philippines
Province, Country, or other jurisdiction of incorporation or organization
4. 17th Floor Federal Tower, Dasmariñas Street corner,
Muelle de Binondo, Binondo, Manila 1008
Address of principal office Postal Code
5. (632)-8-245-2886
Company's telephone number, including area code
6. <https://www.alliedbankers.com.ph/>
Company's official website
7. Not applicable
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			
Principle 1: The company should be headed by a competent, working board to foster the long- term success of the corporation, and to sustain its competitiveness and profitability in a manner consistent with its corporate objectives and the long- term best interests of its shareholders and other stakeholders.			
Recommendation 1.1			
1. Board is composed of directors with collective working knowledge, experience or expertise that is relevant to the company's industry/sector.	Compliant	Provide information or link/reference to a document containing information on the following: 1. Academic qualifications, industry knowledge, professional experience, expertise and relevant trainings of directors 2. Qualification standards for directors to facilitate the selection of potential nominees and to serve as benchmark for the evaluation of its performance	1. Director's Expertise Director information can be found in our Annual Report which includes: 1. Work experience 2. Competencies 3. Trainings 4. Tenure 5. Other Relevant Information Source: 2022 Annual Report 2. Qualification Standards The qualifications of the Board of Directors and its independent directors can be found in our Manual on Corporate Governance Source: Manual on Corporate Governance, Page 8-11, 12-13
2. Board has an appropriate mix of competence and expertise.	Compliant		
3. Directors remain qualified for their positions individually and collectively to enable them to fulfill their roles and responsibilities and respond to the needs of the organization.	Compliant		
Recommendation 1.2			
1. Board is composed of a majority of non-executive directors.	Compliant	Identify or provide link/reference to a document identifying the directors and the type of their directorships	The Board is composed of majority of non-executive directors. We have: 1. 3 Independent Directors 2. 3 Executive Directors 3. 5 Non-Executive Directors Source:

			<p>1. 2022 Organizational Meeting</p> <p>2. 2023 Organizational Meeting</p>
Recommendation 1.3			
<p>1. Company provides in its Board Charter and Manual on Corporate Governance a policy on training of directors.</p>	Compliant	<p>Provide link or reference to the company's Board Charter and Manual on Corporate Governance relating to its policy on training of directors.</p>	<p>The Company's Board Charter Article XIII details the Company's Orientation and Continuing Education Programs for Directors.</p> <p>The Company sponsors the training of our directors as enshrined in our Manual on Corporate Governance.</p> <p>Source: Board Charter Manual on Corporate Governance, page 14-15</p>
<p>2. Company provides in its Board Charter or Manual on Corporate Governance an orientation program for first time directors.</p>	Compliant	<p>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.</p>	<p>The Company's Board Charter provides that all directors prior to assumption of office, shall undergo at the minimum an eight-hour (8) orientation program on the Corporation's business and corporate structure, vision and mission, corporate strategy, Governance Codes and Policies, Articles of Incorporation, By-laws, Manual of Corporate Governance, Board and Committee Charters, IC-mandated topics on corporate governance and other relevant matters essential for the effective performance of their duties and responsibilities.</p> <p>Directors shall also attend a four-hour (4) annual continuing training program, including courses on corporate governance, to further their knowledge and assist in</p>
<p>3. Company has relevant annual continuing training for all directors.</p>	Compliant		

			<p>their development as Directors at least once a year.</p> <p>The Company sponsors the training of our directors as enshrined in our Manual on Corporate Governance.</p> <p>Source: Board Charter Article. XIII, page 19-20 Manual on Corporate Governance, page 14-15</p>
Recommendation 1.4			
1. Board has a policy on board diversity.	Compliant	<p>Provide information on or link/reference to a document containing information on the company's board diversity policy.</p> <p>Indicate gender composition of the board.</p>	<p>The Company shall not discriminate any director or candidates for directorship upon by reason of gender, age, disability, ethnicity, nationality, or political, religious or cultural backgrounds, skills, competence or knowledge.</p> <p>Source: 1. Manual on Corporate Governance, page 7 2. Corporate Governance Committee, page 7</p>
Recommendation 1.5			
1. Board is assisted by a Corporate Secretary.	Compliant	<p>Provide information on or link/reference to a document containing information on the Corporate Secretary, including his/her name, qualifications, duties and functions.</p>	<p>Our Board is assisted by a Corporate Secretary as required in our Corporate Governance policies.</p> <p>Source: 1. Amended By-laws 2. Manual on Corporate Governance, page 24-25 3. 2022 Organizational Meeting 4. 2023 Organizational Meeting 5. Annual Report</p>
2. Corporate Secretary is a separate individual from the Compliance Officer.	Compliant		
3. Corporate Secretary is not a member of the Board of Directors.	Compliant		

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.	<p><i>Our Corporate Secretary has attended a training last 2020</i></p> <p>Source: 1. Annual Report</p>
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Recommendation 1.6

1. Board is assisted by a Compliance Officer.	Compliant		Our Board is assisted by a Compliance Officer as required in our Manual of Corporate Governance.
2. Compliance Officer has a rank of Senior Vice President or an equivalent position with adequate stature and authority in the corporation.	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.	<p>Source:</p> <p>1. Amended By-laws 2. Manual on Corporate Governance, page 24-25 3. 2022 Organizational Meeting 4. 2023 Organizational Meeting 5. Annual Report</p>
3. Compliance Officer is not a member of the board.	Compliant		
4. Compliance Officer attends training/s on corporate governance annually.	Compliant	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>Our Corporate Compliance Officer has attended a training.</p> <p>Source: 1. Annual Report</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.

Recommendation 2.1

<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>Directors actively attend regular board and committee meetings and have performed their duties well.</p> <p>Source: 1. Manual on Corporate Governance, page 15-18 2. Annual Report</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>Indicate frequency of review of business objectives and strategy</p>	<p>The Board oversees development, review and approval of the company's business objectives and strategy and monitors its implementation during the monthly board meetings.</p> <p>Source: 1. Annual Report 2. Excerpt from BOD Minutes of Meeting</p>
<p>2. Board oversees and monitors the implementation of the company's business objectives and strategy in order to sustain the company's long-term viability and strength.</p>	<p>Compliant</p>		
<p>Recommendation 2.3</p>			
<p>1. Board is headed by a competent and qualified Chairperson.</p>	<p>Compliant</p>	<p>Provide information or reference to a document containing information on the Chairperson, including his/her name and qualifications</p>	<p>Our Chairman for the year 2023 is Director Lucio C. Tan</p> <p>Source: 1. 2022 Organizational Meeting 2. 2023 Organizational Meeting 3. Annual Report</p>
<p>Recommendation 2.4</p>			
<p>1. Board ensures and adopts an effective succession planning program for directors, key officers and management.</p>	<p>Compliant</p>	<p>Disclose and provide information or link/reference to a document containing information on the company's succession</p>	<p>The Board has adopted a policy on the succession planning of its directors, key officers and management.</p>

2. Board adopts a policy on the retirement for directors and key officers.	Compliant	planning policies and programs and its implementation	Source: 1. Manual on Corporate Governance, page 7 2. Nomination Policy
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 performance.	The Board has a remuneration policy to which the Corporate Governance Committee to ensure that this is being followed. Source: 1. Manual on Corporate Governance, page 17-18 2. Remuneration Policy 3. Corporate Governance Committee, page 6-7
2. Board aligns the remuneration of key officers and board members with long-term interests of the company.	Compliant		
3. Directors do not participate in discussions or deliberations involving his/her own remuneration.	Compliant		
Recommendation 2.6			
1. Board has a formal and transparent board nomination and election policy.	Compliant	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. Provide proof if minority shareholders have a right to nominate candidates to the board. Provide information if there was an assessment of the effectiveness of the Board's processes in the nomination, election or replacement of a director.	The Board has a Nomination policy to which the Corporate Governance Committee to ensure that this is being followed: Source: 1. Manual on Corporate Governance, page 8 2. Nomination Policy 3. Corporate Governance Committee, page 5-6 4. 2023 Organizational Meeting 5. Summary of Board Assessment results 6. 2023 Annual Stockholders Meeting
2. Board nomination and election policy is disclosed in the company's Manual on Corporate Governance.	Compliant		
3. Board nomination and election policy includes how the company accepted nominations from minority shareholders.	Compliant		
4. Board nomination and election policy includes how the board reviews nominated candidates.	Compliant		

<p>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.</p>	<p>Compliant</p>		
<p>6. Board has a process for identifying the quality of directors that is aligned with the strategic direction of the company.</p>	<p>Compliant</p>		
<p>Recommendation 2.7</p>			
<p>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.</p>	<p>Compliant</p>	<p>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.</p> <p>Identify transactions that were approved pursuant to the policy.</p>	<p>Our policy on RPTs includes, among others, definition of RPTs, coverage and materiality threshold, guidelines to ensure arm's length terms, identification and prevention or management of potential or actual conflicts of interest, the role of and review by the Audit and RPT Committee in relation to RPTs, whistle-blowing mechanism, restitution of losses and other remedies for abusive RPTs, and proper disclosure of RPTs.</p> <p>Source:</p> <ol style="list-style-type: none"> 1. Related Party Transaction Policy 2. Manual on Corporate Governance, page 15, 32-33 3. Board resolution for ratification of all Board and committees 4. RPT Committee Meeting
<p>2. RPT policy includes appropriate review and approval of material RPTs, which guarantee fairness and transparency of the transactions.</p>	<p>Compliant</p>		
<p>3. RPT policy encompasses all entities within the group, taking into account their size, structure, risk profile and complexity of operations.</p>	<p>Compliant</p>		
<p>Recommendation 2.8</p>			

<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.</p> <p>Identify the Management team appointed.</p>	<p>At the organizational meeting of the Board held immediately after each ASM, the Board approves the key officers for appointment for the year. This is also stated as part of the general responsibilities of our Board in our Amended By-Laws.</p> <p>Source:</p> <ol style="list-style-type: none"> 1. Amended By-Laws 2. 2022 Organizational Meeting 3. 2023 Organizational Meeting 4. Annual Report
<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.</p> <p>Provide information on the assessment process and indicate frequency of assessment of performance.</p>	<p>Our MCG state that the selection of and assessment of the performance of Management is one of the general responsibilities of the Board and be performed annually.</p> <p>Source:</p> <ol style="list-style-type: none"> 1. Manual on Corporate Governance, page 24 2. 2022 Organizational Meeting 3. 2023 Organizational Meeting 4. Directors Performance Evaluation Form
<p>Recommendation 2.9</p>			
<p>1. Board establishes an effective performance management framework that ensures that Management, including the Chief Executive Officer 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>The Company utilizes a performance management template for evaluating performance.</p> <p>Source:</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>		<ol style="list-style-type: none"> 1. Directors Performance Evaluation Form 2. ABIC Performance Appraisal Report (R&F) 3. ABIC Performance Appraisal Report (S&UP) 4. Manual on Corporate Governance, page 15 5. Employee Handbook
<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>Our MCG state that one of the Board's general responsibilities is to ensure the presence and adequacy of internal control mechanisms and systems for good governance within the company. The Board also created its Audit, Risk, and Compliance Committee to assist in its function in ensuring the company's internal control system is effectively working and in place. The annual report also shows that the Board oversees the company's internal control system.</p> <p>Source:</p> <ol style="list-style-type: none"> 1. Manual on Corporate Governance, page 15, 29 2. Audit, Risk and Compliance Committee Charter 3. Annual Report, page 31-36
<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>3. Board approves the Internal Audit Charter.</p>	<p>Compliant</p>		

		Provide reference or link to the company's Internal Audit Charter	In 2021, the Board approved the Internal Audit Charter. Source: Internal Audit Charter Manual
Recommendation 2.11			
1. Board oversees that the company has in place a sound enterprise risk management (ERM) framework to effectively identify, monitor, assess and manage key business risks.	Non-Compliant	Provide information on or link/reference to a document showing the Board's oversight responsibility on the establishment of a sound enterprise risk management framework and how the board was guided by the framework.	The Company already has a Corporate Risk Officer and a Risk Management Officer. An ERM framework is already under review by the management and is expected to be finalized and implemented within 2024.
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.	Non-Compliant	Provide proof of effectiveness of risk management strategies, if any.	
Recommendation 2.12			
1. Board has a Board Charter that formalizes and clearly states its roles, responsibilities and accountabilities in carrying out its fiduciary role.	Compliant	Provide link to the company's website where the Board Charter is disclosed.	The Board's responsibilities is currently enshrined in our Manual of Corporate Governance, Articles of Incorporation and the By-Laws. However, a Board Charter is already completed and approved in 2021.

<p>2. Board Charter serves as a guide to the directors in the performance of their functions.</p>	<p>Compliant</p>		<p>The Board Charter which sets forth its purposes, authority, duties and responsibilities, structure, and procedures in accordance with Insurance Commission (IC) Circular no. 2020-71 otherwise known as Revised Code of Corporate Governance for Insurance Commission Regulated Companies.</p>
<p>3. Board Charter is publicly available and posted on the company's website.</p>	<p>Compliant</p>		<p>Source: Board Charter</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>Board Committees created by our Board are appointed during the organizational meeting of the Board held immediately after ASMs. These are the Board Committees currently established:</p> <ol style="list-style-type: none"> 1. Audit and Risk Committee 2. Corporate Governance Committee 3. Related Party Transaction Committee 4. Executive Committee 4. Non-Executive Committee 5. Investments Committee <p>Source:</p> <ol style="list-style-type: none"> 1. 2022 Organizational Meeting 2. 2023 Organizational Meeting
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			3. Manual on Corporate Governance, Page 19-23
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>	Compliant	<p>Provide information or link/reference to a document containing information on the Audit Committee, including its functions.</p> <p>Indicate if it is the Audit Committee's responsibility to recommend the appointment and removal of the company's external auditor.</p>	<p>Our Audit, Risk, and Compliance Committee Charter states, among others, the oversight capability of the Committee over our financial reporting, internal control system, internal and external/independent audit processes, risk management policies, and compliance with other applicable laws and regulations.</p> <p>Source:</p> <ol style="list-style-type: none"> 1. Audit, Risk, and Compliance Committee Charter 2. Manual on Corporate Governance, page 19-20
<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>	Compliant	<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>The Audit and Risk Committee is composed of the following members:</p> <p>Independent Directors:</p> <ol style="list-style-type: none"> 1. Mary G. Ng - Chairman

<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>2. Peter Y. Ong - Vice-Chairman</p> <p>Other Directors:</p> <ol style="list-style-type: none"> 1. Zacarias E. Gallardo, Jr. - Director 2. Irene Tan Luy - Non-Executive Director <p>The Audit, Risk, and Compliance Committee chairman does not hold any other chairmanship in the Company.</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>Source:</p> <ol style="list-style-type: none"> 1. 2022 Organizational Meeting 2. 2023 Organizational Meeting 3. Annual Report

Recommendation 3.3

<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>The Corporate Governance Committee is composed of the following members:</p> <p>Directors:</p> <ol style="list-style-type: none"> 1. Lucio C. Tan - NED - Chairman 2. Zacarias E. Gallardo, Jr. - ED - Vice-Chairman 3. Carmen K. Tan - NED - Member 4. Karlu T. Say - NED - Member 5. Perfecto M. Domingo. - ED - Member 6. Peter Y. Ong - ID - Member <p>Source:</p> <ol style="list-style-type: none"> 1. 2022 Organizational Meeting 2. 2023 Organizational Meeting 3. Annual Report Page 40 4. Corporate Governance Committee Charter
<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>Source:</p> <ol style="list-style-type: none"> 1. 2022 Organizational Meeting 2. 2023 Organizational Meeting 3. Annual Report Page 40 4. Corporate Governance Committee Charter
<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>Majority of the members of the Corporate Governance Committee for the year 2024-2025, including the Chairman, are independent directors.</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>Our Audit, Risk, and Compliance Committee Charter states, among others, the oversight capability of the Committee over our financial reporting, internal control system, internal and external/independent audit processes, risk management policies, and compliance with other applicable laws and regulations.</p> <p>Source:</p> <ol style="list-style-type: none"> 1. Audit, Risk, and Compliance Committee Charter 2. Manual on Corporate Governance, page 19-20
<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>The Audit, Risk, and Compliance Committee is composed of the following members:</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>Independent Directors:</p> <ol style="list-style-type: none"> 1. Mary G. Ng - Chairman 2. Peter Y. Ong - Vice-Chairman

<p>4. At least one member of the BROCC 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 BROCC.</p>	<p>Other Directors: 1. Zacarias E. Gallardo, Jr. - Director 2. Irene Tan Luy - Non-Executive Director</p> <p>The Audit, Risk, and Compliance Committee chairman does not hold any other chairmanship in the Company.</p> <p>Source: 1. 2022 Organizational Meeting 2. 2023 Organizational Meeting 3. Annual Report</p>
<p>Recommendation 3.5</p>			
<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>Our Related Party Transaction Committee is composed of a majority of IDs, including the Chairman. The Committee Charter states, among others, the function of the</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>Committee in reviewing all material RPTs of Alliedbankers Insurance Corporation. Our policy on RPTs and MCG serve as supplements to the Committee’s Charter.</p> <p>The following are the members of the Committee:</p> <ol style="list-style-type: none"> 1. Peter Y. Ong - ID - Chairman 2. Cielo M. Salgado - ID - Member 3. Mary G. Ng. - ID - Member 4. Karlu T. Say - NED - Member <p>Source:</p> <ol style="list-style-type: none"> 1. 2022 Organizational Meeting 2. 2023 Organizational Meeting 3. Annual Report 4. Related Party Transaction Committee Charter 5. Related Party Transaction Policy 6. Manual on Corporate Governance, page 32
<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>The Board Committees have their own Charters and their performance evaluation.</p> <p>Source:</p> <ol style="list-style-type: none"> 1. Audit, Risk, and Compliance Committee Charter 2. Corporate Governance Committee Charter 3. Related Party Transaction Committee Charter 4. Non-Executive Committee Charter 5. Investments Committee Charter
<p>2. Committee Charters provide standards for evaluating the performance of the Committees.</p>	<p>Compliant</p>		

3. Committee Charters were fully disclosed on the company's website.	Compliant	Provide link to company's website where the Committee Charters are disclosed.	6. ABIC Website 7. Directors Performance Evaluation Form
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Principle 4: To show full commitment to the company, the directors should devote the time and attention necessary to properly and effectively perform their duties and responsibilities, including sufficient time to be familiar with the corporation's business.

Recommendation 4.1

1. The Directors attend and actively participate in all meetings of the Board, Committees and shareholders in person or through tele-/videoconferencing conducted in accordance with the rules and regulations of the Commission.	Compliant	Provide information or link/reference to a document containing information on the process and procedure for tele/videoconferencing board and/or committee meetings. Provide information or link/reference to a document containing information on the attendance and participation of directors to Board, Committee and shareholders' meetings.	In accordance with our Manual on Corporate Governance, members of the Board should attend and actively participate in all regular and special meetings of the Board, Committees, and shareholders' in person or via teleconference or videoconference or by any other technological means allowed by the SEC and IC. Source: 1. Manual on Corporate Governance, page 18 2. 2023 Board Attendance 3. Board Resolution ratifying all board and committee meetings. 4. Excerpt from the Board Meetings
2. The directors review meeting materials for all Board and Committee meetings.	Compliant		
3. The directors ask the necessary questions or seek clarifications and explanations during the Board and Committee meetings.	Compliant	Provide information or link/reference to a document containing information on any questions raised or clarification/explanation sought by the directors	

Recommendation 4.2

<p>1. Non-executive directors concurrently serve in a maximum of five Insurance Commission Regulated Entities (ICREs) and publicly-listed companies to ensure that they have sufficient time to fully prepare for meetings, challenge Management’s proposals/views, and oversee the long-term strategy of the company.</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>In accordance with our MCG and Charter of the Board, our non-executive directors may concurrently serve as directors to a maximum of five (5) publicly-listed companies and five (5) Insurance Commission Regulated Entities to ensure that they have sufficient time to fully prepare for meetings, challenge Management’s proposals or views, and oversee the long-term strategy of the Corporation.</p> <p>Source: 1. Annual Report 2. Manual on Corporate Governance, page 7</p>
<p>Recommendation 4.3</p>			
	<p>Compliant</p>		

<p>1. The directors notify the company's board before accepting a directorship in another company.</p>		<p>Provide copy of written notification to the board or minutes of board meeting wherein the matter was discussed.</p>	<p>One of the responsibilities of individual members of the Board is to notify the board through the Corporate Secretary, before accepting a directorship in another Corporation. Our directors have not joined any other companies during their tenure.</p> <p>Source: 1. Manual on Corporate Governance, page 18</p>
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Principle 5: The board should endeavor to exercise an objective and independent judgment on all corporate affairs

Recommendation 5.1

<p>1. The Board is composed of 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>The Board is currently composed of 3 independent directors for the year 2023.</p> <p>Source: 1. 2023 Organizational Meeting</p>
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Recommendation 5.2

<p>1. The independent directors possess all the necessary qualifications and none of the disqualifications to hold the positions.</p>	<p>Compliant</p>	<p>Provide information or link/reference to a document containing information on the qualifications of the independent directors.</p>	<p>All our Independent Directors go through evaluation/deliberation of qualifications upon nomination to ensure that they are all qualified and do not possess any of the disqualifications in accordance with applicable law, our MCG, the Corporate Governance Committee Charter, and the Nomination Policy.</p> <p>Source:</p> <ol style="list-style-type: none"> 1. Nomination Policy 2. Manual on Corporate Governance, page 12-14 3. Corporate Governance Committee Charter 4. Annual Report
<p>Recommendation 5.3</p>			
<p>1. The independent directors serve for a maximum cumulative term of nine years.</p> <p>As far as Insurance Companies are concerned, the foregoing term limit shall be reckoned from 02 January 2015 while the reckoning date for the Pre-Need Companies and Health Maintenance Organizations shall be from 21 September 2016.</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>	<p>Compliant</p>	<p>Provide information or link/reference to a document showing the years IDs have served as such.</p>	<p>All of our Independent Directors shall serve a maximum of nine (9) years, with a reckoning date of January 2, 2015 in accordance with IC CL 2018-36. However, the Company has the option to extend the term of the Independent Director provided that it shall undergo a rigorous review to ensure an appropriate balance of skills and experience.</p> <p>Source:</p> <ol style="list-style-type: none"> 1. Manual on Corporate Governance, Page 12 2. Nomination Policy 3. Annual Report

<p>2. The company bars an independent director from serving in such capacity after the term limit of nine years.</p>	<p>Compliant</p>	<p>Provide information or link/reference to a document containing information on the company's policy on term limits for its independent director</p>	
<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 proof on submission of a formal written justification to the Insurance Commission and proof of shareholders' approval during the annual stockholders' meeting.</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>The designation of the Chairman of the Board and the Chief Executive Officer is currently being held by two (2) different individuals. Their responsibilities are distinct from each other as outlined in our Manual on Corporate Governance. The Chairman and the CEO have no blood relations with each other.</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.</p> <p>Identify the relationship of Chairman and CEO.</p>	<p>Lucio C. Tan - Chairman Perfecto M. Domingo - President and CEO</p> <p>Source: 1. Annual Report 2. 2023 Organizational Meeting 3. Manual on Corporate Governance, page 11-12, 27</p>

Recommendation 5.5			
<p>1. If the Chairman of the Board is not an independent director or where the roles of Chairman and CEO are being held by one person, the Board should designate a lead director among the independent directors.</p>	<p>Non-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.</p> <p>Indicate if Chairman is independent.</p>	<p>The Board currently has no designated lead independent director for the year 2023. Furthermore, our Chairman is not independent. This shall be resolved within the year 2024 with the establishment of a lead independent director.</p> <p>Source: 1. Manual on Corporate Governance, page 14</p>
Recommendation 5.6			
<p>1. Directors with material interest in a transaction affecting the corporation should abstain from taking part in the deliberations for the same.</p>	<p>Compliant</p>	<p>Provide proof of abstention, if this was the case</p>	<p>One of the responsibilities of each member of the Board is to abstain from voting in matter that he/she have a material interest in.</p> <p>Source: 1. Manual on Corporate Governance, page 17</p>
Recommendation 5.7			
<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 directors present to ensure that proper checks and balances are in place within the corporation.</p>	<p>Compliant</p>	<p>Provide proof and details of said meeting, if any.</p> <p>Provide information on the frequency and attendees of meetings.</p>	<p>Our NEDs, under our MCG, and the Non-executive Committee Charter, have separate periodic meetings with the external auditor and heads of the internal audit, compliance and risk functions, without any executive director present to ensure that proper checks and balances are in place. Our NEDs may consult with relevant heads in management as necessary.</p> <p>Source:</p>

			1. Non-Executive Committee Charter 2. Manual on Corporate Governance, page 18
2. The meetings are chaired by the lead independent director.	Non-compliant		The Board shall endeavor to appoint a lead independent director to lead the Non-Executive Committee meetings.

Principle 6: The best measure of the Board's effectiveness is through an assessment process. The Board should regularly carry out evaluations to appraise its performance as a body, and assess whether it possesses the right mix of backgrounds and competencies.

Recommendation 6.1

1. Board conducts an annual self-assessment of its performance as a whole.	Compliant	Provide proof of self-assessments conducted for the whole board, the individual members, the Chairman and the Committees	Our Manual on Corporate Governance provide our policy and procedures for our Board's annual self-assessment done through a self-assessment questionnaire. The Board shall also be assessed by a third party every three (3) years. Source: 1. Manual on Corporate Governance, page 24 2. Directors Performance Evaluation Form
2. The performance of the Chairman is assessed annually by the Board.	Compliant		
3. The performance of the individual member of the Board is assessed annually by the Board.	Compliant		
4. The performance of each committee is assess annually by the Board.	Compliant		
5. Every three years, the assessments are supported by an external facilitator.	Compliant	Identify the external facilitator and provide proof of use of an external facilitator.	

Recommendation 6.2

1. Board has in place a system that provides, at the minimum, criteria and process to determine the performance of the Board, individual directors and committees.	Compliant	Provide information or link/reference to a document containing information on the system of the company to evaluate the performance of the board, individual	Our Manual on Corporate Governance provide our policy and procedures for our Board's annual self-assessment done through a self-assessment questionnaire.
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2. The system allows for a feedback mechanism from the shareholders.	Compliant	directors and committees, including a feedback mechanism from shareholders.	The Board shall also be assessed by a third party every three (3) years. Source: 1. Manual on Corporate Governance, page 24 2. Directors Performance Evaluation Form
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Principle 7: Members of the Board are duty-bound to apply high ethical standards, taking into account the interests of all stakeholders.

Recommendation 7.1

1. Board adopts a Code of Business Conduct and Ethics, which provide standards for professional and ethical behavior, as well as articulate acceptable and unacceptable conduct and practices in internal and external dealings of the company.	Compliant	Provide information on or link/reference to the company's Code of Business Conduct and Ethics.	In addition to our Manual on Corporate Governance, Committee Charters and other Corporate Governance Policies, our Board also subjects itself to the policies, guidelines and rules under our Code of Conduct (CoC). The Board recognizes that corporate values and governance as well as making a stand against corrupt practices are part of setting good CG culture in the organization. Source: 1. Code of Ethics 2. Dissemination of the Code 3. ABIC Website
2. The Code is properly disseminated to the Board, senior management and employees.	Compliant	Provide information on or discuss how the company disseminated the Code to its Board, senior management and employees.	
3. The Code is disclosed and made available to the public through the company website.	Compliant	Provide a link to the company's website where the Code of Business Conduct and Ethics is posted/ disclosed.	

Recommendation 7.2

1. Board ensures the proper and efficient implementation and monitoring of compliance with the Code of Business Conduct and Ethics.	Compliant	Provide proof of implementation and monitoring of compliance with the Code of Business Conduct and Ethics and internal policies.	Part of the responsibilities of our Board is to comply with relevant rules and regulations of the company and other applicable laws, as well as ensure compliance with the same by the organization. The Corporate
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<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>Secretary and Compliance Officer assist the Board in compliance with relevant rules and regulations. Our Code of Ethics covers all directors and ABIC employees.</p> <p>Source:</p> <ol style="list-style-type: none"> 1. Code of Ethics 2. Manual on Corporate Governance, page 17 3. Whistle-blowing policy
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Disclosure and Transparency

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

Recommendation 8.1

<p>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.</p>	<p>Compliant</p>	<p>Provide information on or link/reference to the company's disclosure policies and procedures including reports distributed/made available to shareholders and other stockholders</p>	<p>Apart from applicable laws, our Manual on Corporate Governance provide for disclosure requirements of our Board.</p> <p>Source:</p> <ol style="list-style-type: none"> 1. Annual Report 2. Manual on Corporate Governance, page 41-42 3. Audited Financial Statement 4. ABIC Website
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Recommendation 8.3

<p>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.</p>	<p>Compliant</p>	<p>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.</p>	<p>The Annual report, together with the general information sheet, provides all the relevant information of individual board members, and key executives.</p>
<p>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.</p>	<p>Compliant</p>	<p>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.</p>	<p>1. 2023 General Information Sheet 2. 2022 Annual Report</p>
<p>Recommendation 8.4</p>			
<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>The Board has adopted the Remuneration Policy to guide the Board in setting the appropriate level of remuneration of the Board and the Executive Officers.</p>
<p>2. 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 determining executive remuneration</p>	<p>Source: 1. Remuneration Policy</p>
<p>3. Company discloses the remuneration on an individual basis, including termination and retirement provisions.</p>	<p>Compliant</p>	<p>Provide breakdown of director remuneration and executive compensation, particularly the remuneration of the CEO.</p>	<p>The remuneration of the directors and the executives are disclosed in the Annual Report</p>

			Source: 1. Annual Report
Recommendation 8.5			
1. Company discloses its policies governing Related Party Transactions (RPTs) and other unusual or infrequently occurring transactions.	Compliant	<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>Our policy on Related Party Transactions is in our Manual on Corporate Governance and posted on our website. No director has had conflicted interest in a transaction discussed at the Board level.</p> <p>Source: 1. Related Party Transaction Policy 2. Manual on Corporate Governance, page 32-33 3. ABIC Website</p>
2. Company discloses material or significant RPTs in its Annual Company Report or Annual Corporate Governance Report, reviewed by the Board, and submitted for confirmation by majority vote of the stockholders in the annual stockholders' meeting during the year.	Compliant	<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>Material and significant RPTs are discussed during our Annual stockholder's Meeting and ratification of Board and Committee Resolutions. This is also presented in our Annual Report.</p> <p>The following are the Company's Related Party Transaction</p> <p>Source: 1. Audited Financial Statement 2. Annual Report 3. 2023 Annual Stockholders Meeting</p>
Recommendation 8.7			

<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>Our Manual on Corporate Governance, The Company's Corporate, Governance policies and programs are in its Manual of Corporate Governance.</p>
<p>2. Company's MCG is posted on its company website.</p>	<p>Compliant</p>		<p>Source: 1. ABIC Website</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>As stated in its Charter, our Audit, Risk, and Compliance Committee, ensures that ABIC has set appropriate policies and processes that strengthen the external/independent auditor's independence and improve audit quality. This shall also be ratified by the Board and shareholders. There have been no issues with our current external auditor that would need their removal and disclosure through our website and communications with the regulators.</p> <p>Source: 1. Audit, Risk, and Compliance 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>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>2. Manual on Corporate Governance, page 32-32</p> <p>3. Ratification of all Board and Committee Resolutions</p> <p>4. ABIC Website</p>
Recommendation 9.2			
<p>1. Audit Committee Charter includes the Audit Committee's responsibility on:</p> <ul style="list-style-type: none"> a. assessing the integrity and independence of external auditors; b. exercising effective oversight to review and monitor the external auditor's independence and objectivity; and c. 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>At the minimum, our Audit, Risk, and Compliance Committee Charter includes the Committee's responsibilities in relation to the duties and deliverables of our external/independent auditor as well as monitoring of the same to ensure the auditor's continuous suitability and effectiveness.</p> <p>Source:</p> <ul style="list-style-type: none"> 1. Audit, Risk, and Compliance Committee Charter 2. Manual on Corporate Governance, page 31-32
<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	<ul style="list-style-type: none"> 2. Manual on Corporate Governance, page 31-32
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>All non-audit services performed by the external auditor is disclosed in our Annual Report.</p> <p>Source:</p> <ul style="list-style-type: none"> 1. Annual Report

<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>At the minimum, our Audit, Risk, and Compliance Committee Charter includes the Committee’s responsibilities in relation to the duties and deliverables of our external/independent auditor as well as monitoring of the same to ensure the auditor’s continuous suitability and effectiveness.</p> <p>Source: 1. Audit, Risk, and Compliance Committee Charter 2. Manual on Corporate Governance, page 31-32</p>
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Principle 10: The company should ensure that the material and reportable non-financial and sustainability issues are disclosed.

Recommendation 10.1

<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>ABIC has recently adopted policies and practices on disclosure of non-financial information through its sustainability reporting and follows the Global Reporting Index (GRI) framework. The Company shall then publish their first Sustainability Report for the period covered 2023.</p> <p>Source: 1. Sustainability Policy</p>
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2. Company adopts a globally recognized standard/framework in reporting sustainability and non-financial issues.	Compliant	Provide link to Sustainability Report, if any. Disclose the standards used.	
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Principle 11: The company should maintain a comprehensive and cost-efficient communication channel for disseminating relevant information. This channel is crucial for informed decision-making by investors, stakeholders and other interested users.

Recommendation 11.1

1. The company should have a website to ensure a comprehensive, cost efficient, transparent, and timely manner of disseminating relevant information to the public.	Compliant	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.	The Company has a working website. Source: 1. ABIC Website
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Internal Control System and Risk Management Framework

Principle 12: To ensure the integrity, transparency and proper governance in the conduct of its affairs, the company should have a strong and effective internal control system and enterprise risk management framework.

Recommendation 12.1

1. Company has an adequate and effective internal control system in the conduct of its business.	Compliant	List quality service programs for the internal audit functions. Indicate frequency of review of the internal control system	At the Board level, our Audit, Risk, and Compliance Committee exists to, among its many responsibilities, ensure internal audit functions and internal control systems are in place and working effectively. Source: 1. Audit, Risk, and Compliance Committee Charter
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			<p>2. Manual on Corporate governance, page 19-20, 29-30</p> <p>3. Board resolution for ratification of all Board and committees</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>Corporate Planning, a new division of ABIC was created last October 2021 which includes the Enterprise Risk Management Unit, the Company is currently looking an experienced officer to head the unit.</p> <p>The Company continuously improves the Enterprise Risk Management Framework.</p> <p>Source:</p> <ol style="list-style-type: none"> 1. Senior Management Committee 2. Manual on Corporate Governance, page 31
Recommendation 12.2			
<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>The Company has an in-house independent internal audit function. The establishment of the Internal Audit function is a fundamental part of the Company's Corporate Governance practices and policies. The Internal Audit Department is led by our Internal Audit Head, Mr. Enrique S. Claravall.</p> <p>Source:</p>

			<p>1. Manual on Corporate Governance, page 28-30</p> <p>2. Annual Report Page 35</p> <p>3. Audit, Risk, and Compliance Committee Charter</p>
Recommendation 12.3			
1. Company has a qualified Chief Audit Executive (CAE) appointed by the Board.	Compliant		<p>The Company has an in-house independent internal audit function. The establishment of the Internal Audit function is a fundamental part of the Company's Corporate Governance practices and policies. The Internal Audit Department is led by our Internal Audit Head, Mr. Enriques S. Claravall.</p> <p>Source:</p> <p>1. Manual on Corporate Governance, page 28-30</p> <p>2. Annual Report</p> <p>3. Audit, Risk, and Compliance Committee Charter</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.	Compliant	Identify the company's Chief Audit Executive (CAE) and provide information on or reference to a document containing his/her responsibilities.	
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.	Not applicable	Identify qualified independent executive or senior management personnel, if applicable.	<p>Our IA group is in-house as mentioned above</p> <p>Source:</p> <p>1. Annual Report</p>
Recommendation 12.4			
1. Company has a separate risk management function to identify, assess and monitor key risk exposures.	Compliant	Provide information on company's risk management function.	The Board of Directors oversees and conducts an annual review of our material controls, covering operational, financial and compliance areas and overall RM systems.

			<p>The overall responsibility for our RM oversight rests with the Board. The Audit and Risk Committee is the Board Committee handling the oversight function of this risks.</p> <p>A Management Level committee, namely, the Senior Management Committee, was established to assist the Board to assess the identified risks and provide solutions to mitigate the risks.</p> <p>This shall be further improved upon within the year 2022.</p> <p>Source: 1. Senior Management Committee Charter 2. Audit, Risk, and Compliance Committee Charter</p>
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Recommendation 12.5

1. In managing the company’s Risk Management System, the company has a Chief Risk Officer (CRO), who is the ultimate champion of Enterprise Risk Management (ERM).	Compliant	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>The Company has a Corporate Risk Officer with the rank of AVP and is assisted by the Risk Management Officer with the rank of Manager. Together, they champion the Company’s ERM.</p> <p>The Company continuously improves the Enterprise Risk Management Framework.</p>
2. CRO has adequate authority, stature, resources and support to fulfill his/her responsibilities.	Compliant		

Cultivating a Synergic Relationship with Shareholders

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

Recommendation 13.1

1. Board ensures that basic shareholder rights are disclosed in the Manual on Corporate Governance.	Compliant	Provide link or reference to the company's Manual on Corporate Governance where shareholders' rights are disclosed.	The Board has disclosed the rights of its shareholders in the Manual of Corporate Governance. This is also disclosed in the Company website.
2. Board ensures that basic shareholder rights are disclosed on the company's website.	Compliant	Provide link to company's website	
Recommendation 13.2			
1. Board encourages active shareholder participation by sending the Notice of Annual and Special Shareholders' Meeting with sufficient and relevant information at least 21 days before the meeting.	Compliant	Indicate the number of days before the annual stockholders' meeting or special stockholders' meeting when the notice and agenda were sent out. Indicate whether shareholders' approval of remuneration or any changes therein were included in the agenda of the meeting. Provide link to the Agenda included in the company's Information Statement	The Company sends the Notice and agenda of the Annual and Special Shareholders' Meeting at least 21 days before the meeting. Source: 1. 2022 Notice of ASM 2. 2023 Notice of ASM
Recommendation 13.3			
1. Board encourages active shareholder participation by making the result of the votes taken during the most recent Annual or Special Shareholders' Meeting publicly available the next working day.	Non-compliant	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.	Since we are not a publicly-listed company, this recommendation is not practiced in our Company. However, the Company shall endeavor to publish the voting results within the next working day.
2. Minutes of the Annual and Special Shareholders' Meetings were available on the company website within five business days from the end of the meeting.	Non-compliant	Provide link to minutes of meeting in the company website. Indicate voting results for all agenda items, including the approving, dissenting and abstaining votes.	Since we are not a publicly-listed company, this recommendation is not practiced in our Company. The Company shall endeavor to publish the voting results within five (5) business days. Source: 1. 2023 Annual Stockholder's Meeting

		Indicate also if the voting on resolutions was by poll. Include whether there was opportunity to ask question and the answers given, if any.	
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	To resolve intra-corporate disputes, a shareholder, at his option, may file for mediation under the Alternative Dispute Resolution Act of 2004. If the intra-corporate dispute is not resolved by mediation, the parties may bring the matter to arbitration in accordance with the Philippine Arbitration Law, then in force. While there was no such instance where our policy on alternative dispute resolution was required, our policy is included in our Manual on Corporate Governance. Source: 1. Manual on Corporate Governance, page 37
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	
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.	The Manual on Corporate Governance contains the policies of ABIC for our identified stakeholders. Our sustainability policy is also a reflection of our policy protecting the interests of our stakeholders. Source:

			<ol style="list-style-type: none"> 1. Annual Report - Corporate Social Responsibility 2. Manual on Corporate Governance, page 37
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Recommendation 14.2

<ol style="list-style-type: none"> 1. Board establishes clear policies and programs to provide a mechanism on the fair treatment and protection of stakeholders. 	Compliant	Identify policies and programs for the protection and fair treatment of company's stakeholders	<p>The Manual on Corporate Governance contains the policies of ABIC's identified stakeholders. These policies are also posted on our website.</p> <p>Source:</p> <ol style="list-style-type: none"> 1. Annual Report 2. Code of Ethics 3. Related Party Transaction Policy 4. Nomination Policy 5. Remuneration Policy 6. Sustainability Policy 7. Manual on Corporate Governance 8. Anti-Fraud Bribery Corruption Policy 9. Conflict of Interest Policy 10. Whistle-blowing Policy
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Recommendation 14.3

<ol style="list-style-type: none"> 1. Board adopts a transparent framework and process that allow stakeholders to communicate with the company and to obtain redress for the violation of their rights. 	Compliant	<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>The Board has adopted a transparent framework and process that allow stakeholder to communicate their concerns.</p> <p>Source:</p> <ol style="list-style-type: none"> 1. Whistle-blowing policy 2. Code of Ethics
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Principle 15: A mechanism for employee participation should be developed to create a symbiotic environment, realize the company's goals and participate in its corporate governance processes.

Recommendation 15.1			
<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>The Company explicitly articulates its recognition and protection of the rights and interests of its employees through its Employee Manual of Policies and Procedures.</p> <p>Source:</p> <ol style="list-style-type: none"> 1. Whistle-blowing policy 2. Code of ethics 3. Employee Handbook
Recommendation 15.2			
<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>The Company explicitly articulates its recognition and protection of the rights and interests of its employees through its Employee Manual of Policies and Procedures.</p> <p>Source:</p> <ol style="list-style-type: none"> 1. Whistle-blowing policy 2. Anti-Fraud Bribery Corruption Policy 3. Code of ethics 4. Employee Handbook
<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>Policies and training programs are being disseminated thru employee portal and email blast. Training programs are improved in 2023.</p>
Recommendation 15.3			

<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.</p> <p>Indicate if the framework includes procedures to protect the employees from retaliation.</p>	<p>Our whistle-blowing policy is in our Manual on Corporate Governance and discussed in our Code of Ethics. Our whistle-blowing policy ensures that whistle-blowers' reports are kept confidential together with their identities, they are protected from retaliation and that points of contact for whistleblowers are available and easy to access.</p> <p>Source: 1. Whistle-blowing policy 2. Code of Ethics</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>Provide contact details to report any illegal or unethical behavior.</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>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>Our community involvement and environment-related programs are discussed in our Annual Report, which is posted on our website.</p> <p>Source: 1. Annual Report</p>