

2015 ASEAN Corporate Governance Scorecard for National Reinsurance Corporation of the Philippines

Order	Category	Question	Score	Remarks
B.1 Shares and Voting Rights				
27	B	<p>B.1 Shares and voting rights</p> <p>B.1. 1 Do the company's ordinary or common shares have one vote for one share?</p>	Yes	<p>DEFAULT</p> <p>One share, one vote is practiced.</p> <p>Source: Amended By-Laws <i>Election of Directors, Article 2, Section 7, PDF Page 9, Document Page 6</i></p>
28	B	<p>B.1.2 Where the company has more than one class of shares, does the company publicise the voting rights attached to each class of shares (e.g. through the company website / reports/ the stock exchange/ the regulator's website)?</p>	N/A	<p>DEFAULT</p> <p>The company has only one class of shares.</p> <p>Source: Amended By-Laws <i>Election of Directors, Article 2, Section 7, PDF Page 9, Document Page 6</i></p>
B.2 Notice of AGM				
29	B	<p>B.2 Notice of AGM</p> <p>B.2.1 Does each resolution in the most recent AGM deal with only one item, i.e., there is no bundling of several items into the same resolution?</p>	Yes	<p>Each resolution in the ASM dealt only with one item.</p> <p>Source: NRCPC SEC Form 20-IS Definitive Information Statement 30 May 2016 <i>(1) Explanation of Agenda Items, PDF Page3-4</i> <i>Other Matters, Items 15-18, PDF Pages 29-31, Document Pages</i></p>

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				<p>24-26</p> <p>2015 Minutes of the Annual Stockholders' Meeting, July 13, 2015</p> <p>2016 Draft Minutes of the Annual Stockholders Meeting, July 13, 2016</p>
30	B	B.2.2 Are the company's notice of the most recent AGM/circulars fully translated into English and published on the same date as the local-language version?	Yes	<p>Company's ASM notice is in English.</p> <p>Source: NRCP SEC Form 20-IS Definitive Information Statement 30 May 2016 <i>Notice of Annual Meeting of Stockholders, PDF page 3-4</i></p>
31	B	<p>Does the notice of AGM/circulars have the following details:</p> <p>B.2.3 Are the profiles of directors/commissioners (at least age, qualification, date of first appointment, experience, and directorships in other listed companies) in seeking election/re-election included?</p>	Yes	<p>Profiles of directors, as mentioned, are included in the Information Statement and in the company website.</p> <p>Source: NRCP SEC Form 20-IS Definitive Information Statement 30 May 2016 <i>Incumbent Directors and Officers, Item 5 (a), PDF Page 12, Document Page 7;</i> <i>Business Experience of Directors and Officers during the past 5 years, Item 5 (c), PDF Pages 13-18, Document Pages 8-12;</i> <i>Other Directorships, PDF Pages 18-19, Document Page 13-14;</i> <i>Final List of Candidates of Independent Directors, Annex A, PDF Page 38, Document Page 33;</i></p>
32	B	B.2.4 Are the auditors seeking appointment/re-appointment clearly identified?	Yes	<p>The name of the audit firm was explicitly stated in the Information Statement.</p>

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				<p>Source: NRCP SEC Form 20-IS Definitive Information Statement 30 May 2016 <i>Independent Public Accountant, Item 7, PDF Page 28, Document Page 23</i></p>
33	B	B. 2. 5 Has an explanation of the dividend policy been provided?	Yes	<p>Dividend policy provides for both the amount and its corresponding explanation.</p> <p>Source: NRCP SEC Form 20-IS Definitive Information Statement 30 May 2016 <i>Dividends, PDF Page 55, Document Page 50</i></p>
34	B	B.2.6 Is the amount payable for final dividends disclosed?	Yes	<p>Not applicable for the Financial Year 2015 & 2014, no dividend declared in 2016 & 2015 respectively.</p> <p>For the Financial Year 2012, declared in 2013, the amount payable for final dividends was disclosed.</p> <p>Cash dividend declared: Php 0.02/share Total Amount Payable: Php 42,472,112.00</p> <p>Source: SEC Form ACGR – Consolidated Changes in the ACGR for 2015 J. Rights of Stockholders Dividends, Section J(1)(c), Page 55</p> <p>NRCP SEC Form 20-IS Definitive Information Statement 30 May 2016</p>

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				<i>Dividends, PDF Page 55, Document Page 50</i>
35	B	B.2.7 Documents required to be proxy/ Were the proxy documents made easily available?	Yes	<p>Notice to shareholders includes documents required to designate proxy.</p> <p>Source: NRCP SEC Form 20-IS Definitive Information Statement 30 May 2016 <i>Part II – Information Required in a Proxy Form, PDF Pages 34-35, Document Pages 29-30</i></p>
B.3 Insider trading and abusive self-dealing should be prohibited.				
36	B	B.3.1 Does the company have policies and/or rules prohibiting directors/commissioners and employees to benefit from knowledge which is not generally available to the market?	Yes	<p style="text-align: center;">DEFAULT</p> <p>The Company has established a system to prevent use of inside information.</p> <p>Source: Code of Ethics <i>Confidentiality, Item 3 (d), PDF Page 2</i> <i>Conflicts of Interest, Item 5 (b), PDF Page 3</i></p>
37	B	B.3.2 Are the directors and commissioners required to report their dealings in company shares within 3 business days?	Yes	<p>The Company submits the dealings of directors/officers within 3 business days</p> <p>Source: Revised Manual of Corporate Governance (June 30, 2014) <i>Responsibilities of a Director. Item b.7 (v), PDF Page 13, Document Page 12</i></p>

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				NRCP SEC Form 23-B Augusto Hidalgo <i>(sample submission of the directors individual dealings in the company shares, January 13, 2016 transaction, filed to the SEC January 18, 2016)</i>
B.4 Related party transactions by directors and key executives.				
38	B	B.4.1 Does the company have a policy requiring directors / commissioners to disclose their interest in transactions and any other conflicts of interest?	Yes	<p style="text-align: center;">DEFAULT</p> <p>Directors and Officers are required to disclose interest in transactions that may directly affect the company.</p> <p>Source: Revised Manual of Corporate Governance (June 30, 2014) <i>Related Party Transactions, Item f.3, PDF Page 24, Document Page 23</i></p> <p>Code of Ethics <i>Conflict of Interest, Item 5, Page 3</i></p>
39	B	B.4.2 Does the company have a policy requiring a committee of independent directors/commissioners to review material/significant RPTs to determine whether they are in the best interests of the company?	Yes	<p>All related party transactions are fully disclosed to the Board of Directors and shareholders.</p> <p>Source: (1) NRCP SEC Form 20-IS Definitive Information Statement 30 May 2016 <i>Certain Relationships & Related Party Transactions, PDF Page 24-26, Document Pages 19-21</i> (2) SEC Form ACGR – Consolidated Changes in the ACGR for</p>

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				2015 B. Code of Business Conduct and Ethics Related Party Transactions, Policies and Procedures, Section B.4.a, Page 24-26 (3) Company Policy on Related Party Transactions
40	B	B.4.3 Does the company have a policy requiring board members (directors/commissioners) to abstain from participating in the board discussion on a particular agenda when they are conflicted?	Yes	<p style="text-align: center;">DEFAULT</p> Norms of Conduct is to be observed by the member of the Board of Directors when there is conflict on a particular agenda. Source: Revised Manual of Corporate Governance (June 30, 2014) <i>Specific Duties and Responsibilities of a Director – Norms of Conduct, Item b.7, i / iv, PDF Page 13, Document Page 12</i> Code of Ethics <i>Conflict of Interest, Item 5, Page 3</i>
41	B	B.4.4 Does the company have policies on loans to directors and commissioners either forbidding this practice or ensuring that they are being conducted at arm's length basis and at market rates.	Yes	<p style="text-align: center;">DEFAULT</p> The company has a policy to conduct fair business transactions with the corporation and to ensure that personal interest does not prejudice Board decisions, which encompasses this requirement. Source: Revised Manual of Corporate Governance (June 30, 2014) <i>Specific Duties and Responsibilities of a Director – Norms of</i>

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				<i>Conduct, Item b.7(i), PDF Page 13, Document Page 12</i>
B.5 Protecting minority shareholders from abusive actions				
42	B	B.5.1 Were there any RPTs that can be classified as financial assistance to entities other than wholly-owned subsidiary companies?	No	All Related Party Transactions are fully disclosed. <i>Source:</i> NRCP SEC Form 17-A 2015 Annual Report <i>Certain Relationships and Related Transactions, Item 12, Pages 47-50</i>
43	B	B.5.2 Does the company disclose that RPTs are conducted in such a way to ensure that they are fair and at arms' length?	Yes	All Related Party Transactions are fully disclosed. <i>Source:</i> (1) NRCP SEC Form 17-A 2015 Annual Report <i>Certain Relationships and Related Transactions, Item 12, Pages 47-50</i> (2) SEC Form ACGR – Consolidated Changes in the ACGR for, 2015 <i>B. Code of Business Conduct and Ethics</i> <i>Policies and Procedures, Related Party Transactions, Section B.4.a, Page 24-26</i> (3) Company Policy on Related Party Transactions

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	B	B.5.3 In case of related party transactions requiring shareholders approval; is the decision made by disinterested shareholders?	Yes	Source: Revised Manual of Corporate Governance (June 30, 2014) Rights of Stockholders and Protection of Minority Stockholders Interest