

G. Compliance System

1. Responsibility for Good Governance

Good corporate governance is the responsibility and concern, not only of the Board of Directors and management, but also of each and every employee of the Company.

2. The Corporate Secretary

The Corporate Secretary, who should be a Filipino citizen and a resident of the Philippines, is an officer of the corporation. He should —

- (i) Be responsible for the safekeeping and preservation of the integrity of the minutes of the meetings of the Board and its committees, as well as the other official records of the corporation;
- (ii) Be loyal to the mission, vision and objectives of the corporation;
- (iii) Work fairly and objectively with the Board, Management stockholders **and other stakeholders**;
- (iv) Have appropriate administrative and interpersonal skills;
- (v) If he is not at the same time the corporation's legal counsel, be aware of the laws, rules and regulations necessary in the performance of his duties and responsibilities;
- (vi) Have a working knowledge of the operations of the corporation;
- (vii) Inform the members of the Board, in accordance with the by-laws, of the agenda of their meetings and ensure that the members have before them accurate information that will enable them to arrive at intelligent decisions on matters that require their approval;
- (viii) Attend all Board meetings, except when justifiable causes, such as, illness, death in the immediate family and serious accidents, prevent him from doing so;
- (ix) Ensure that all Board procedures, rules and regulations are strictly followed by the members; and

- (x) If he is also the Compliance Officer; perform all the duties and responsibilities of the said officer as provided for in this Code.
- (xi) Issue certification every January 30th of the year on the attendance of directors in meeting of the board of directors, countersigned by the Chairman of the Board, in accordance with SEC Memorandum Circular No. 3, series of 2007.

3. The Compliance Officer

The Board shall appoint a Compliance Officer who shall report directly to the Chairman of the Board. He shall perform the following duties:

- (i) Monitor compliance by the corporation with this Code and the rules and regulations of regulatory agencies and, if any violations are found, report the matter to the Board and recommend the imposition of appropriate disciplinary action on the responsible parties and the adoption of measures to prevent a repetition of the violation;
- (ii) Identify and monitor compliance with the rules and regulations of regulatory agencies, and take appropriate corrective measures to address all regulatory issues and concerns;
- (iii) Appear before the IC and the SEC when summoned in relation to compliance with this Code;
- (iv) Issue a certification every January 30th of the year on the extent of the corporation's compliance with this Code for the completed year and, if there are any deviations, explain the reason for such deviation; and
- (v) Prepare and submit to the Insurance Commission and the SEC all reports or disclosures required under this Code;

4. Communication, Dissemination

This Code shall be available for inspection by any stockholder of the Company at reasonable hours on business days.

All Directors, executive, division and department heads are tasked to ensure that thorough dissemination of this Code to all employees and related third parties, and to likewise enjoin compliance in the process.

5. Adequate and Timely Information

To enable the members of the Board to properly fulfill their duties and responsibilities, Management should provide them with complete, adequate and timely information about the matters to be taken in their meetings.

Reliance on information volunteered by Management would not be sufficient in all circumstances and further inquiries may have to be made by a member of the Board to enable him to properly perform his duties and responsibilities. Hence, the members should be given independent access to Management and the Corporate Secretary.

The information may include the background or explanation on matters brought before the Board, disclosures, budgets, forecasts and internal financial documents.

The members, either individually or as a Board, and in furtherance of their duties and responsibilities, should have access to independent professional advice at the corporation's expense.

6. Monitoring and Assessment

The Compliance Officer shall establish an evaluation system to determine and measure compliance with this Code.

This Manual shall be subject to annual review by the Board.