

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

Order	Category	Question	Score	Remarks
LEVEL 1				
A.1 Basic Rights of Shareholders				
1	A	A.1.1 Does the company pay (interim and final/annual) dividends in an equitable and timely manner; that is, all shareholders are treated equally and paid within 30 days after being (i) declared for interim dividends and (ii) approved by annual general meeting (AGM) for final dividends?	Yes	<p>Not applicable for the Financial Year 2015, no dividend was declared in 2014.</p> <p>On the last payment of company's dividend, the company paid within 30 days after being declared and approved.</p> <p>Dividend Declaration: May 16, 2013 Dividend Payment: June 14, 2013 Financial Year: 2012</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>
A.2 Right to participate in decisions concerning fundamental corporate changes. Do shareholders have the right to participate in:				
2	A	A.2.1 Amendments to the company's constitution?	Yes	<p>DEFAULT</p> <p>Shareholders have rights to participate in amendments of Company's Constitution. The Amended Articles of the Incorporation and By-Laws, certified by SEC last August 5, 2014 and July 20, 2012 respectively, had been voted by the stockholders owning or representing at least two-thirds of the outstanding capital stock.</p> <p>Source:</p>

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				Revised Manual of Corporate Governance (June 30, 2014) <i>Rights of Stockholders and Protection of Minority Stockholders, E.1(i), Document Page 19, PDF Page 20</i> Amended Articles of Incorporation Amended By-Laws <i>Certificate of Filing, Page 1</i>
3	A	A.2.2 The authorisation of additional shares?	Yes	<p style="text-align: center;">DEFAULT</p> <p>Shareholders have the right to participate in amendments, such as authorization of additional shares as applicable, as they have the right to vote on corporate acts in accordance with the Corporation Code.</p> <p>Source: Revised Manual of Corporate Governance (June 30, 2014) <i>Rights of Stockholders and Protection of Minority Stockholders, E.1(i), Document Page 19, PDF Page 20</i></p>
4	A	A.2.3 The transfer of all or substantially all assets, which in effect results in the sale of the company?	Yes	<p style="text-align: center;">DEFAULT</p> <p>Shareholders have the right to participate in amendments, such as transfer of all or substantially all assets, which in effect results in sale of the company as applicable, as they have the right to vote on corporate acts in accordance with the Corporation Code.</p> <p>Source: Revised Manual of Corporate Governance (June 30, 2014)</p>

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				<i>Rights of Stockholders and Protection of Minority Stockholders, E.1(i), Document Page 19, PDF Page 20</i>
A.3 Right to participate effectively in and vote in general shareholder meetings and should be informed of the rules, including voting procedures that govern general shareholder meetings.				
5	A	A.3.1 Do shareholders have the opportunity, evidenced by an agenda item, to approve remuneration (fees, allowances, benefit-in-kind and other emoluments) or any increases in remuneration for the non-executive directors/commissioners?	Yes	<p style="text-align: center;">DEFAULT</p> <p>Majority vote of the outstanding capital stock is needed to approve bonuses other than Directors' per diem.</p> <p>Source: Amended By-Laws <i>Board of Directors - Directors' Fees, Article III, Section 8, PDF Page 13, Document Page 10</i></p>
6	A	A.3.2 Does the company provide non-controlling shareholders a right to nominate candidates for board of directors/commissioners?	Yes	<p>Non-controlling shareholders have the right to nominate candidates for board of directors.</p> <p>Source: Amended By-Laws</p> <p>(1) <i>Number, Term of Office, Manner of Elections, Article III, Section 1, PDF Page 10, Document Page 8</i> (2) <i>Nomination for Directors, Article III, Section 4, PDF Page 12, Document Page 9</i></p> <p>NRCP Disclosures dated 17 May 2012 re Cash Dividend and Election Rules <i>Nomination of Candidates, Rule 3, Section 1&2, PDF Page 3, Document Page 2</i></p>

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7	A	A.3.3 Does the company allow shareholders to elect directors/commissioners individually?	Yes	Cumulative voting is applied by the company. Source: Amended By-Laws <i>Election of Directors, Article II, Section 7, PDF Page 9, Document Page 6</i>
8	A	A.3.4 Does the company disclose the voting and vote tabulation procedures used, declaring both before the meeting proceeds?	Yes	The Company disclosed the voting and vote tabulation procedure used before the meeting proceeds. Source: NRCF SEC Form 20-IS Definitive Information Statement 30 May 2016 <i>Voting Procedures, Item 19(b), PDF Page 33, Document Pages 28</i> NRCF Disclosures dated 17 May 2012 re Cash Dividend and Election Rules <i>Conduct of Elections & Appreciations of Ballots, Rule V, PDF Pages 10-13, Document Pages 9-12</i>
9	A	A.3.5 Do the minutes of the most recent AGM record that there was an opportunity allowing for shareholders to ask questions or raise issues?	Yes	Minutes of AGM includes issues and motions raised during the meeting. Source: 2015 Minutes of the Annual Stockholders' Meeting, July 13, 2015 <i>Report of the President, Item #4, Page 2-3</i> 2016 Draft Minutes of the Annual Stockholders Meeting, July 13, 2016 <i>Report of the President, Item #4, Page 2-3</i>

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10	A	A.3.6 Do the minutes of the most recent AGM record questions and answers?	Yes	Minutes of AGM records questions and answers. <i>Source:</i> 2015 Minutes of the Annual Stockholders' Meeting, July 13, 2015 Report of the President, Item #4, Page 2-3 2016 Draft Minutes of the Annual Stockholders Meeting, July 13, 2016 <i>Report of the President, Item #4, Page 2-3</i>
11	A	A.3.7 Does the disclosure of the outcome of the most recent AGM include resolution(s)?	Yes	Disclosure includes the resolution in the most recent AGM. <i>Source:</i> 2015 Minutes of the Annual Stockholders' Meeting, July 13, 2015 2016 Draft Minutes of the Annual Stockholders Meeting, July 13, 2016 Results of Annual Stockholders' Meeting of July 13, 2016
12	A	A.3.8 Does the company disclose the voting results including approving, dissenting, and abstaining votes for each agenda item for the most recent AGM?	Yes	Voting results were / are disclosed. <i>Source:</i> SEC Form ACGR – Consolidated Changes in the ACGR for 2015 J. Rights of Stockholders <i>Result of Annual Stockholders' Meeting's Resolutions, Item J.1.d.5, Page 58</i>
13	A	A.3.9 Does the company disclose the list of board members who attended the most recent AGM?	Yes	Name list of board members attending the AGM are available. <i>Source:</i>

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				SEC Form ACGR – Consolidated Chages in the ACGR for 2015 J. Rights of Stockholders <i>Stockholders' Attendance, Item J.1.f(i), Pages 58-59</i>
14	A	A.3.10 Did the chairman of the board of directors/commissioners attend the most recent AGM?	Yes	The Chairman of the board of directors attended the most recent ASM, Ms. Helen Y. Dee. Source: SEC Form ACGR – Consolidated Changes in the ACGR for 2015 J. Rights of Stockholders <i>Stockholders' Attendance, (1)Helen Y. Dee, Chairman, Item J.1.f(i), Page 58</i>
15	A	A.3.11 Did the CEO/Managing Director/President attend the most recent AGM?	Yes	The CEO of the company attended the most recent ASM, Augusto Hidalgo. Source: SEC Form ACGR – Consolidated Changes in the ACGR for 2015 J. Rights of Stockholders <i>Stockholders' Attendance, (3)Augusto Hidalgo, Executive Director / President and CEO, Item J.1.f(i), Page 58</i>
16	A	A.3.12 Did the chairman of the Audit Committee attend the most recent AGM?	Yes	The Chairman of the Audit Committee attended the most recent ASM, Mr. Ermilando D. Napa. Source: SEC Form ACGR – Consolidated Changes in the ACGR for 2015 J. Rights of Stockholders <i>Stockholders' Attendance, (4)Ermilando D. Napa, Independent Director (Chairman of the Audit Committee), Item J.1.f(i), Page 58</i>

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17	A	A.3.13 Did the company organise their most recent AGM in an easy to reach location?	Yes	<p>ASM venue is an easy to reach location. (<i>Carlos P. Romulo Auditorium, Podium 4, Tower II, RCBC Plaza, 6819 Ayala Avenue, Makati City</i>)</p> <p>Source: NRCP SEC Form 20-IS Definitive Information Statement 30 May 2016 <i>Notice of the Annual Stockholders' Meeting (Date, Time and Place of Meeting) PDF Page 2</i></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>
18	A	A.3.14 Does the company allow for voting in absentia?	Yes	<p style="text-align: center;">DEFAULT</p> <p>The Company facilitates proxy voting.</p> <p>Source: Amended By-Laws <i>Proxies, Article II, Section 5, PDF Page 8, Document Page 5</i></p>
19	A	A.3.15 Did the company vote by poll (as opposed to by show of hands) for all resolutions at the most recent AGM?	Yes	<p>The company used ballot voting.</p> <p>Source: SEC Form ACGR – Consolidated Changes in the ACGR for 2015 J. Rights of Stockholders <i>Details of Attendance in the Annual Stockholders' Meeting, Voting Procedures, Item J.6.iPage 58 (By Ballots)</i></p>

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				2015 Minutes of the Annual Stockholders' Meeting, July 13, 2015 2016 Draft Minutes of the Annual Stockholders Meeting, July 13, 2016
20	A	A.3.16 Does the company disclose that it has appointed an independent party (scrutineers/inspectors) to count and/or validate the votes at the AGM?	Yes	<p>The Company disclosed its appointment of an independent party to count and/or validate the votes at the AGM.</p> <p>Source: NRCP SEC Form 17-C Results of Annual Stockholders' Meeting and Organizational Meeting PunongBayan & Araullo, Board of Canvasser, Document Page 2, PDF Page 3</p> <p>NRCP SEC Form 20-IS Definitive Information Statement 30 May 2016 <i>Appointed Board of Canvassers, Item 6, PDF Page 33, Document Page 28</i></p> <p>2015 Minutes of the Annual Stockholders' Meeting, July 13, 2015 2016 Draft Minutes of the Annual Stockholders Meeting, July 13, 2016</p>
21	A	A.3.17 Does the company make publicly available by the next working day the result of the votes taken during the most recent AGM for all resolutions?	Yes	<p>The Company disclosed the result of the votes on the next working day after the AGM.</p> <p>Source: NRCP Results of Annual Stockholders' Meeting <i>PSE Filing (filed after the ASM event – July 13, 2016, approved by the PSE – July 14, 2016 8:42am)</i></p>

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				SEC Form ACGR – Consolidated Changes in the ACGR for 2015 J. Rights of Stockholders <i>Date of publishing the result of the votes taken during the ASM for all resolutions, Item J.1.d.6, Page 58</i>
22	A	A.3.18 Do companies provide at least 21 days notice for all resolutions?	Yes	<p>Company provides more than 21 days notice for all resolutions using the required Definitive Information Statement (DIS).</p> <p>DIS was sent to Stockholders: June 17, 2016 Annual Stockholders Meeting: July 13, 2016</p> <p>Source: NRCP SEC Form 20-IS Definitive Information Statement 30 May 2016 <i>Item 9, Document Page 2 (PDF Page 7)</i></p> <p>SEC Form ACGR – Consolidated Changes in the ACGR for 2015 J. Rights of Stockholders Notice of the Annual Stockholders’ Meeting, Section J.1.d.3, Page 57</p>
23		A.3.19 Does the company provide the rationale and explanation for each agenda item which require shareholders’ approval in the notice of AGM/circulars and/or the accompanying statement?	Yes	<p>The company provides the summary of Items for stockholders approval on ASM.</p> <p>Source: NRCP SEC Form 20-IS Definitive Information Statement 30 May 2016 <i>Explanation of Agenda Items (PDF Pages 3-4)</i></p>
A.4 Markets for corporate control should be allowed to function in an efficient and transparent manner.				
24	A	A.4.1 In cases of mergers, acquisitions and/or takeovers, does the board of	N/A	The company did not undertake any mergers, acquisitions and /or

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		directors/commissioners of the offeree company appoint an independent party to evaluate the fairness of the transaction price?		<p>takeovers.</p> <p>Source: NRCP SEC Form 20-IS Definitive Information Statement 30 May 2016 <i>Mergers, Consolidations, Acquisitions and Similar Matters, Item 12, PDF Page 29, Document Page 24</i></p> <p>SEC Form ACGR – Consolidated Changes in the ACGR for 2015 K. INVESTORS RELATIONS PROGRAM <i>Company’s Rules and Procedures governing acquisition, mergers, sale of substantial portion of corporate assets, Item K.3, Pages 62-64.</i></p>
A.5 The exercise of ownership rights by all shareholders, including institutional investors, should be facilitated.				
25	A	A.5.1 Does the company publicly disclose policy/practice to encourage shareholders including institutional shareholders to attend the general meetings or engagement with the Company?	Yes	<p>We informed our stockholders at least fifteen (15) business days before the scheduled date of Annual Stockholders Meeting.</p> <p>Source: NRCP SEC Form 20-IS Definitive Information Statement 30 May 2016 <i>Shareholder and Investor Relations, PDF Page 58, Document Page 53</i></p> <p>Amended By-Laws <i>Notice, Article II, Section 3, PDF Pages 7-8, Document Pages 4-5</i></p>
26	A	A.5.2 Is the share ownership by institutional investors, other than controlling shareholders, greater than 5%?	Yes	<p>Share of institutional investor, other than controlling shareholders is more than 5%.</p> <p>Source:</p>

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				SEC Form ACGR – Consolidated Changes in the ACGR for 2015 I. Disclosure and Transparency <i>Ownership Structure, Item I.1.a, Document Page 53</i>