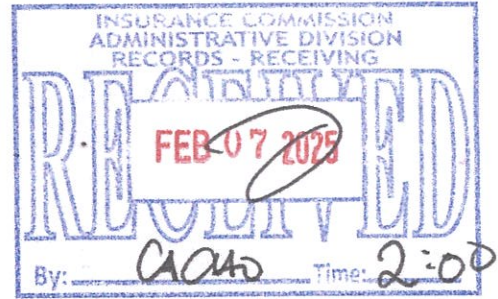


PEOPLE'S GENERAL
INSURANCE CORPORATION

04TH February 2025

HON. ATTY. REYNALDO A. REGALADO
Insurance Commissioner
INSURANCE COMMISSION
1071 United Nation Avenue
Manila



R E : 2024 ANNUAL CORPORATE GOVERNANCE REPORT

Dear Sir:

In connection with the above subject, enclosed is our 2024 Annual Corporate Governance Report for your record.

Thank you.

Very truly yours,


LIBRADA C. PINGOL

Executive Vice President Operation

Encl: a/s

Encl: a/s

ANNUAL CORPORATE GOVERNANCE REPORT OF
PEOPLE'S GENERAL INSURANCE CORPORATION

- 1. For the fiscal year ended31 December 2024
- 2. Certificate Authority Number 2022/79-R
- 3. National Capital Region, Philippines
Province, Country or other jurisdiction of incorporation or organization
- 4. 420 Calle Magallanes, Intramuros, Manila Philippines 1002
Address of principal office Postal Code
- 5. (+632) 527-76- 11 to 15; (+632) 527-65-55
Company’s telephone number, including area code
- 6. www.peoplesgen.com
Company’s official website
- 7. N/A
Former name, former address, and former fiscal year, if changed since last report

ANNUAL CORPORATE GOVERNANCE REPORT

	COMPLIANT/ NON- COMPLIANT	ADDITIONAL INFORMATION The Board's Governance Responsibilities	EXPLANATION
Principle 1: The company should be headed by a competent, working board to foster the long-term success and sustainability of the corporation 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	Items 1 & 2. PGIC is composed of (5) directors and (2) Independent directors and has collective qualifications, work, and professional experience. PGIC sets its qualification standards for the election of its directors set on its Manual Corporate Governance.	
2. Board has an appropriate mix of competence and expertise.			
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	PGIC Directors remain qualified for their positions individually and Collectively to enable them to fulfill their duties and Responsibilities and respond to the needs of the corporation. The Director are actively participating in Board meetings, which are at the PGIC website. PGIC directors are updated annually as Stated in the company GIS.	
Recommendation 1.2			
1. Board is composed of a majority of Non-executive directors.	COMPLIANT	PGIC Board is composed of: <u>3 Executive Directors</u> <u>1 Non Executive Director</u> <u>2 Independent Directors</u> <u>1 Corporate Secretary.</u> <u>The above is stated at the PGIC website</u>	
Recommendation 1.3			
1. Company provides in its Board Charter or Manual on Corporate Governance a policy on training of directors.	COMPLIANT	In the compliance with ACGR, PGIC has updated its Corporate Manual and now includes orientation for first time and newly appointed member of BOD. PGIC is compliant with its report.	

2. Company provides in its Board Charter or Manual on Corporate Governance an orientation program for first time directors.	COMPLIANT	PGIC to develop or create opportunities for continuing training and educational program for officers. Directors and employees. To promote awareness and strong compliance. Manual on Corporate Governance provides its policy on providing orientation program for newly appointed members of the Board.	
3. Company has relevant annual continuing training for all directors.	COMPLIANT	The company to develop or create opportunities for continuing training and educational programs.	
Recommendation 1.4			
1. Board has a policy on board diversity	COMPLIANT	PGIC values diversity and supports workforce equality against work discrimination of any form at all levels. PGIC respect gender equality, in fact it has women sitting as member of the Board, PGIC as a Corporation do as well believe in Women Empowerment which is in far with its male Offices. For now the Women sitting with managerial positions are reflected in the PGIC website.	
Recommendation 1.5			
1. Board is assisted in its duties by a Corporate Secretary.	COMPLIANT	PGIC Board is assisted by its Corporate Secretary, who is a Filipino citizen, a resident of the Philippines, and perform functions as provided under PGIC Manual of Corporate Governance, in every Board meeting the Corporate Secretary sits in and assist the Board.	
2. Corporate Secretary is a separate individual from the Compliance Officer.	COMPLIANT	The Corporate Secretary is a different individual that of Compliance Officer as stated in PGIC AMLA compliance.	
3. Corporate Secretary is not a member of the Board of Directors.	NON-COMPLIANT	PGIC appoints Compliance Officer (CO) to assist the Board and the Board Committees in their respective duties and responsibilities. The name and appointment Of the (CO) is reflected in the report. The Board is deliberate on the new appointee. The Company's Corporate Secretary and Compliance Officer are not one and the same person.	Although the Corporate Secretary is a current member of the Board, this does not interfere with the performance of his corporate and directorial functions and duties in any way. Moreover, in his tenure as the Corporate Secretary-cum-member of the Board, he has proven to be an impeccable asset to the organization. Nevertheless,

			compliance to this principle shall be tabled for discussion among the members of the Board tentatively by the end of the year.
4. Corporate Secretary attends training/son corporate governance.	COMPLIANT	The Corporate Secretary attended the seminar on Corporate Governance conducted by the Institute of Corporate Governance and issued certificate of completion.	
Recommendation 1.6			
1. Board is assisted by a Compliance Officer.	COMPLIANT	Items 1 & 2 , PGIC appoints a Compliance Officer to assist the Board and the Board Committees in their respective duties and responsibilities. The name and appointment of the (CO) is reflected in the report.	
2. Compliance Officer has a rank of Vice President or an equivalent position with adequate stature and authority in the corporation.	COMPLIANT		
3. Compliance Officer is not a member of the board.	COMPLIANT	The Compliance Officer is a member of the Board She has the support and to the same. direct line of communication	
4. Compliance Officer attends training/son corporate governance annually.	COMPLIANT	The Corporate Compliance Officer, along with the other members of the Board have attended the Corporate Governance Orientation Course conducted by the Institute of Corporate Governance and were issued certification of completion.	

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			
1. Directors act on a fully informed basis, in good faith, with due diligence and care, and in the best interest of the company.	COMPLIANT	Members of the Board execute their responsibilities and actively participate in meetings in observance of their roles and responsibilities in accordance with the Manual on Corporate . To the best interest of the company. A Director performed duties through attendance stated in the minutes of the board meeting, minutes of the shareholders' meeting and annual meeting and election of Board of Directors.	
Recommendation 2.2			

1. Board oversees the development, review and approval of the company's business objectives and strategy.	COMPLIANT	Performance of the monitoring, review and approval of the organization's business objectives and strategy as well as their implementation is substantiated by the Minutes of the Meeting	
2. Board oversees and monitors implementation of the company's business objectives and strategy in order to sustain the company's long-term viability and strength.	COMPLIANT		
Recommendation 2.3			
1. Board is headed by a competent and qualified Chairperson	COMPLIANT	PGIC is headed by Ms. Felipa E. Dela Cruz , a businesswoman and the Company's chairman of the board. (See Also: Company Website – Board of Directors)	
Recommendation 2.4			
1. Board ensures and adopts an effective succession planning program for directors, key officers and management.	COMPLIANT	1. This is one of the primary responsibilities of the Board. The succession planning program which is in place.	
2. Board adopts a policy on the retirement for directors and key officers.	COMPLIANT	<p>2. PGIC provides that the Board shall ensure the adoption of an effective succession planning program for directors and key officers and management to ensure growth and promote dynamism in the corporation and continued increase in shareholder's value.</p> <p>The Board adheres to its retirement policy covering The organization's employees, key officers and directors/ As set out in its Internal Control Procedure on Human Resources and Administration under Retirement Benefit Plan, although contents of which cannot be disclosed due to the confidentiality of the information contained in the document.</p> <p>Furthermore, the Board has established a Retirement Committee Matters involving retirement of employees, directors and key officers.</p>	

Recommendation 2.5			
1. Board formulates and adopts a policy specifying the relationship between remuneration and performance of key officers and board members.	COMPLIANT	Items 1 & 2 PGIC adopts policy on the alignment of remuneration to performance, the policy contained in the compensation committee and HR policies. PGIC is setting its annual business objectives and strategies identifies to goals and targets to which the different departments shall set their goals and objectives to support the company achieve its goals. Determine and define the key performance indicators, result areas and financial basis pursuant to a performance incentive program. Directors do not participate in discussions involving his remunerations.	
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	1. The Nomination Committee as well as its terms of reference provide for the applicable and relevant provisions on board nomination and election policy. 2. Provides proof if minority shareholders have the right to nominate candidates. Items 2/3/4/5/& 6 per Manual on Corporate Governance.	
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 accepts nominations from minority shareholders.	COMPLIANT		
4. Board nomination and election policy includes how the board reviews nominated candidates.	COMPLIANT		
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.	COMPLIANT		
6. Board has a process for identifying the quality of directors that is aligned with the strategic direction of the company.	COMPLIANT		

Recommendation 2.7			
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.	COMPLIANT	1. There is a policy on related party transactions (RPTs) in place which the Company adheres to with regard related party transactions between the Corporation and a Related Party.	
2. RPT policy includes appropriate review and approval of material RPTs, which guarantee fairness and transparency of the transactions.	COMPLIANT	It is PGIC's responsibility to ensure that policy and system governing related party transaction setting the scope, guidelines, materiality thresholds and management of conflict of interest policy into account the structure, risk, and complexity of the transactions guided under the Money Laundering Prevention Program.	
3. RPT policy encompasses all entities within the group, taking into account heir size, structure, risk profile and complexity of operations.	COMPLIANT		
Recommendation 2.8			
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).	COMPLIANT	Items 1 & 2 The Board is responsible for approving the selection of management led by the Chief Exec. Officer (CEO) and the heads of the other departments that control the functions such as Underwriting head or officer, Chief Compliance Officer and Audit Committee. The company's manual provides that a minimum internal control mechanism for the performance of the board's oversight responsibility may includes the duties and responsibility of the CEO who is accountable for the organizational and operational controls of the corporation. The Board shall ensure that the corporation is properly and effectively managed and supervised. The company adopts the annual targets approved by the Board.	
2. Board is primarily responsible for assessing the performance of Management led by the Chief	COMPLIANT	Assessment of the performance of the Corporation's Management is one of the responsibilities of the Board. PGIC ensures that all company's dealings are done. The company is regularly compliant on the rules and religiously complied with its responsibilities involving RPTs by submitting quarterly report on it. The Audit	

		and Finance Committee reports to the Board, who review if there exist any anomalous transaction.	
Recommendation 2.9			
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.	COMPLIANT	Items 1 & 2 PGIC adopts the annual targets approved by the Board as part of its performance assessment of CEO, Management team and all of its personnel. The performance appraisal for the management team and all personnel are conducted once a year as per PGIC HR policies.	
2. Board established an effective performance management framework that ensures that personnel's performance is at par with the standards set by the Board and the Senior Management.	COMPLIANT	Governance sets out the responsibility of the Board to establish an effective performance management framework to be observed to by the Management as well as the CEO. Governance sets out the responsibility of the Board to establish an effective performance management framework to be adhered to by all employees.	
Recommendation 2.10			
1. Board oversees that an appropriate internal control system is in place	COMPLIANT	PGIC Manual provides that the Board is primarily responsible for the governance of the corporation that the internal control system is in place. Control Responsibilities of the Board of the Manual on Corporate Governance provide for this responsibility of the Board.	
2. The internal control system includes a mechanism for monitoring and managing potential conflict of interest of the Management, members and shareholders.			
3. Board approves the Internal Audit Charter.	COMPLIANT		
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	COMPLIANT	Items 1 & 2 PGIC Board of Directors through the different committees provides oversight our management's activities in managing the audit and financial liquidation , marketing, legal and other operational risks exposure of the corporation. Included is the regular receipt from management information on risk management activities. The committee has its own functions, duties and responsibilities.	
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.	COMPLIANT		

Recommendation 2.12			
1. Board has a Board Charter that formalizes and clearly states its roles, responsibilities and accountabilities in carrying out its fiduciary duties.	COMPLIANT	Items 1, 2, & 3 On structure of Governance, the qualifications, disqualification and policy on multiple board membership serves as a guide for the Board and Corporate Directors in the execution of their roles, responsibilities and accountabilities in carrying out its fiduciary duties as well as their performance functions. Charter that guides the Board in performing their functions and carrying out their responsibilities.	
2. Board Charter serves as guide to the directors in the performance of their functions.	COMPLIANT		
3. Board Charter is publicly available and posted on the company's website	COMPLIANT		

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			
1. Board establishes board committees that focus on specific board functions to aid in the optimal performance of its roles and responsibilities.	COMPLIANT	The Board established the Board Committees focusing on their functions, i.e. Audit Finance Committee, Corporate Governance Committee, Compensation & Remunerations Committee, which are stated in the company's Manual of Corporate Governance.	
Recommendation 3.2			
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.	COMPLIANT	PGIC see to it that the Financial Statement and Annual Report are prepared in accordance with existing rules and procedures and with the Phil. Financial Reporting Standards and with Philippine Standards on Auditing.	
2. Audit Committee is composed of at least three appropriately qualified non-executive directors, the majority of whom, including the Chairman is independent.	COMPLIANT	The Audit Committee is composed of three non-executive directors, two of which are independent directors. Moreover, profile of the members of the Audit Committee is posted on the Company website under Board of Directors.	
3. All the members of the committee have	COMPLIANT	Members of the Audit Committee are appropriately	

relevant background, knowledge, skills, and/or experience in the areas of accounting, auditing and finance		qualified to hold their positions and perform their functions as supported by their background and qualifications under Board of Directors of the Company website .	
4. The Chairman of the Audit Committee is not the Chairman of the Board or of any other committee.	COMPLIANT		
Recommendation 3.3			
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.	COMPLIANT	The Board has a Corporate Governance Committee in place. Information about the same such as its roles and responsibilities membership and composition, etc. are stated in the Corp. Gov.	
2. Corporate Governance Committee is composed of at least three members, majority of whom should be independent directors.	COMPLIANT	Items 2,3 & 4 The members of the audit committee have background, knowledge and skills and/or experience on the areas of Accounting, Auditing and Finance. They have trainings and seminars in relation to corporate management and financial accounting especially on Corporate Governance Orientation Course.	
3. Chairman of the Corporate Governance Committee is an independent director.	COMPLIANT		
Recommendation 3.4			
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.	COMPLIANT	PGIC established a committee which assists the Board in its corporate governance responsibilities. The Board has only two (2) independent directors who are members of the said committee. Committee with adherence to the Risk Management Statement which also provides the enterprise risk management framework Of PGIC.	
2. BROC is composed of at least three members, the majority of whom should be independent directors, including the Chairman.	COMPLIANT	PGIC is composed of two (2) independent directors and one (1) director. The Chairman of the same is an independent director	

		• Manual on Corporate Governance	
3. The Chairman of the BROC is not the Chairman of the Board or of any other committee.	COMPLIANT		
4. At least one member of the BROC has relevant thorough knowledge and experience on risk and risk management.	COMPLIANT	There is the aid of the Internal Audit Department consists of members who are proficient in risk management.	
Recommendation 3.5			
1. The Board establishes a Related Party Transactions (RPT) Committee, which is tasked with reviewing all material related party transactions of the company.	COMPLIANT	PGIC has established a related party transactions committee who review all material related party transactions of the company.	
2. RPT Committee is composed of at least three non-executive directors, majority of whom should be independent, including the Chairman.	NON-COMPLIANT	PGIC has yet to comply by majority of members must be independent, but only (2) are independent directors and one (1) director	
Recommendation 3.6			
1. All established committees have Committee Charters stating in plain terms their respective purposes, memberships, structures, operations, reporting process, resources and other relevant information.	COMPLIANT	Items 1,2, & 3, the committee charters are clearly stated in PGIC Manual with specific purposes, membership, structure of governance, operations, reporting process, resources and other relevant information. The Compensation and Remunerations Committee is tasked to assist the Governance Committee and to oversee the implementation of program of salaries and other benefits on performance basis. Annual evaluation of the performance of the Board as well as the established committees is conducted for review.	
2. Committee Charters provide standards for evaluating the performance of the Committees.	COMPLIANT		
3. Committee Charters were fully disclosed on the company's website	COMPLIANT		

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	COMPLIANT	Refer to the following as to the adoption of rule of conduct and procedure for board and/or committee meetings:	

tele-/videoconferencing conducted in accordance with the rules and regulations of the Commission.		PGIC Board of Directors attends and actively participate on Annual Board Meeting. Management meeting and annual shareholders' meeting physically. Details of the Directors' meeting is on record. Meeting agenda and other pertinent Materials are sent ahead to the Directors.	
2. The directors review meeting materials for all Board and Committee meetings.	COMPLIANT	<p><u>Convening of the Board Meeting</u></p> <p>Manual on Corporate Governance states that every director participating in the meeting must confirm and ascertain that he/she has received and reviewed the agenda and all the relevant materials for the meeting. The Corporate Secretary has the responsibility of informing the Board of Directors of the Agenda and ensure that the members have the accurate information to arrive at intelligent Decisions on matters that require approval.</p>	
3. The directors ask the necessary questions or seek clarifications and explanations during the Board and Committee meetings.	COMPLIANT	The directors actively participate during the conduct of the Meeting. The Corporate Secretary attests that the Directors asks Necessary questions or seek clarifications during the Board and Committee or Management Meetings.	
Recommendation 4.2			
1. Non-executive directors concurrently serve as directors to 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.	COMPLIANT	<p><u>PGIC ensures that the Board members are committed to perform on their duties and responsibilities regardless of the number of seats available in the company.</u> Corporate Governance provides for the adoption of guidelines on the number of directorships that its members can hold in stock and non-stock corporations .Information on the present directorships of the Board is posted in the Company website under <u>Board of Directors Profile.</u></p>	

Recommendation 4.3			
1. The directors notify the company's board where he/she is an incumbent director before accepting a Directorship in another company.	COMPLIANT	PGIC requires directors who are nominated for re-election to provide their list of directorship in other companies.	
Principle 5: The board should endeavor to exercise an objective and independent judgment on all corporate affairs.			
Recommendation 5.1			
1. The Board is composed of at least twenty percent (20%) independent directors.	COMPLIANT	PGIC has two (2) independent Directors who are nominated for re-election constituting at least 20%. The company is compliant as mandated by law to have (2) independent Directors.	
Recommendation 5.2			
1. The independent directors possess all the necessary qualifications and none of the disqualifications to hold the position	COMPLIANT	PGIC Independent Directors possess all the qualifications to hold their positions as provided for under the Securities Code. They are screened names are disclosed in PGIC website. See: • Board of Directors Profile on the Company website	
Recommendation 5.3			
1. The independent directors serve for a maximum cumulative term of nine years. As far as Insurance Companies are concerned, the foregoing term limit shall be reckoned from 02 January 2015 while the reckoning date for Pre-Need Companies and Health Maintenance Organizations shall be from 21 September 2016. 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.	COMPLIANT	Items 1, 2 & 3 The independent Directors serve for a maximum cumulative term of five (5) years. Their appointment is stated at the Company Secretary's Board Resolution. PGIC compliance to the Insurance Commission is likewise reflected at the Company Secretary's Board Resolution.	
2. The company bars an independent director from serving in such capacity after the term	COMPLIANT	Provision on term limits for independent directors is explicitly Mentioned.	

limit of nine years.		Manual on Corporate Governance	
3. In the instance that the company retains an independent director in the same capacity after nine years, the board submits to the Insurance Commission a formal written justification and seek shareholders' approval during the annual shareholders' meeting.	COMPLIANT		
Recommendation 5.4			
1. The positions of Chairman of the Board and Chief Executive Officer are held by separate individuals	COMPLIANT	PGIC Chairman of the Board and Chief Executive Officer are held by separate individuals. See : Profile of the Board of Directors Manual on Corporate Governance explicitly provides for the principle where in the positions of the Chairman of the Board and CEO must be held by separate individuals.	
2. The Chairman of the Board and Chief Executive Officer have clearly defined responsibilities	COMPLIANT	PGIC Chairman of the Board and Chief Executive Officer have separate roles.	
Recommendation 5.5			
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 lead directors among the independent directors.	COMPLIANT	Whereas the Chairman of Board is not an independent director. The independent director as a mechanism is to ensure independent views and perspectives among the Board and avoid potential conflict of interest.	
Recommendation 5.6			
1. Directors with material interest in a transaction affecting the corporation should abstain from taking part in the deliberations for the same.	COMPLIANT	To date, no instance of directors with material interest in any transactions affecting the corporation was recorded during Board discussions held within the covered year. Directors not allowed to take part in deliberations he has a material interest.	
Recommendation 5.7			
1. The non-executive directors (NEDs) have separate periodic meetings with the external auditor and heads of the internal audit,	COMPLIANT	Items 1 & 2 PGIC meetings are chaired by the Chairman of the Board and that of the President & CEO. The Board	

compliance and risk functions, without any executive directors present to ensure that proper checks and balances are in place within the corporation.		exercises independence with regard to their individual duties and responsibilities and may access any committee and may clarify matters of importance to corporate affairs during Board Meetings.	
2. The meetings are chaired by the lead independent director	COMPLIANT		

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. The Board conducts an annual assessment of its performance as a whole.	COMPLIANT	<p>PGIC provides that the best measure of the Board's effectiveness is by assessment process. There is an evaluation to appraise performance as a body and assess whether there is the right mix of backgrounds and experiences to achieve goals.</p> <p>Corporate Governance provides for the annual assessment of the Board's performance.</p> <p>Annual performance assessment of the Chairman is being done on Performance Evaluation of the Manual on Corporate Governance and the Board Performance Assessment Form includes items relative to the evaluation of the Chairman's performance.</p> <p>Annual performance assessment of the members of the Board is being done.</p> <p>The Board sets a system that provides criteria to determine the performance of the Board. It provides feedback that each committee adopts feedback that each committee adopts an internal assessment that can measure its performance.</p> <p>Annual performance assessment of the Board Committees is being done.</p>	
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 assessed annually by the Board.			

5. Every three years, the assessments are supported by and external facilitator	NON-COMPLIANT		PGIC has yet to enlist an external facilitator to conduct assessment on Board performance. In the meantime, the Human Resources Department undertakes this endeavor.
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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	Items 1 & 2, under the Governance and Self Rating Scheme , the Board of Directors is guided by the provisions set forth therein. In addition, the company principles of good governance constitute the necessary duties and responsibilities as deemed necessary.	
2. The system allows for a feedback mechanism from the shareholders.	COMPLIANT	The accomplishment of the Board Performance Assessment Form not only by the members of the Board per se but also by relevant shareholders of PGIC is being done to elicit feedback on and evaluate the performance of the Board .	

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	<p>The Company's Code of Business Conduct and Ethics provides for the set of principles designed to guide Board, Senior Management and employees to conduct themselves with honesty and integrity in all actions representing the company.</p> <p>The Board has formulated the Code of offenses as a guide to strengthen its commitments towards Corporate Governance and to provide guidelines for actions of PGIC employees.</p>	
2. The Code is properly disseminated to the Board, senior management and employees	COMPLIANT	Items 2 & 3 Code of offenses is disseminated , Senior Management and employees. The code of offense can be accessed thru the company website and distributed before employment with PGIC.	

3. The Code is disclosed and made available to the public through the company website.	COMPLIANT	The Code of Business Ethics and Conduct is publicly posted on the Company website	
Recommendation 7.2			
1. Board ensures the proper and efficient implementation and monitoring of compliance with the Code of Business Conduct and Ethics.	COMPLIANT	The Board is guided by the Code of Business Ethics and Conduct which sets out the proper and efficient implementation and monitoring of compliance with the Code as well as the Company's internal policies.	
2. Board ensures the proper and efficient implementation and monitoring of compliance with company internal policies	COMPLIANT	The Board ensures proper and efficient implementation and monitoring in compliance with the company policies. Cascading information is thru memoranda, email, training/seminars. Any violation thereof will result to penalties depending on the gravity of offenses committed.	
Disclosure and Transparency			
Principle 8: The company should establish corporate disclosure policies and procedures that practical and in accordance with best practices and regulatory expectations.			
Recommendation 8.1			
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.	COMPLIANT	To ensure a comprehensive, accurate, reliable and timely reporting to shareholders with fairly complete picture of the company's financial condition and its business operations. Reports relative to the financial condition, results and business operations of the organization are tabled for discussion	
Recommendation 8.2			
1. Company has a policy requiring all directors to disclose/report to the company any dealing in the company's shares within three business days.	COMPLIANT	All material information about the corporation should be publicly and timely disclosed.	
Recommendation 8.3			
1. Board fully discloses all relevant and material information on individual board members to	COMPLIANT	Items 1 & 2 states that the company must comply	

Recommendation 8.3			
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.	COMPLIANT	Items 1 & 2 states that the company must comply with the Disclosure and Transparency disclosing all relevant and material information on the board members and key executives to evaluate their experiences and qualifications and assess any potential conflicts of interest that might affect judgment.	
2. Board fully discloses all relevant and material information on key executives to evaluate their experience and qualification, and assess any potential conflicts of interest that might affect their judgment.	COMPLIANT	Disclosure and Transparency will be of help to avoid conflicts. Academic qualifications, professional experiences, expertise and relevant trainings attended and Latest General Information	
Recommendation 8.4			
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.	COMPLIANT	Items 1, 2 & 3 All material information about the corporation must be disclosed. There is also transparency of remuneration, the committee responsible on the termination and retirement provided with further approval by the Board. Refer to the corporate documents which contain information on the company's policy on Board remuneration:	
2. Company provides a clear disclosure of its policies and procedure for setting Executive remuneration, including the level and mix of the same in the Annual Corporate Governance Scorecard (ACGS) and the Revised Corporation Code.	COMPLIANT	Aside from the policies and procedures on remuneration as for Remuneration Committee, the Board also adheres to its retirement policy covering the organization's employees, key officers and directors as set out in its Internal Control Procedure on Human Resources and Administration under Retirement Benefit Plan, although contents of which cannot be disclosed due to the Confidentiality of the information contained in the document.	
3. Company discloses the remuneration on an individual basis, including termination and retirement provisions.	COMPLIANT		

Recommendation 8.5			
1. Company discloses its policies governing Related Party Transactions (RPTs) and other unusual or infrequently occurring transactions	COMPLIANT	<p>There is a policy on related party transactions (RPTs) in place which the Company adheres to with regard related party transactions between the Corporation and related parties. To date, no instance of directors with material interest in any transactions affecting the corporation was recorded during Board discussions held within the covered year.</p> <p>Items 2 & 3 PGIC policy, it discloses and ensures that all business dealings are done in accordance with the standard rules and regulations to combat fraud. Customer identification and due diligence are fully implemented. Related documents must undergo approval by the different concerned committee. Any unusual or suspicious transactions are immediately acted upon by the employee who discovered such transaction, report to the compliance officer for documentation and reporting to the Board for endorsement to the Insurance Commission.</p> <p>It must be transparent and open channels for disseminating information and should provide for equal, timely, and cost efficient access to relevant information.</p> <p>-PGIC engages services of Sureta and Associates, CPAs. The evaluation of assets are fully stated in PGIC Financial Statement.</p>	
2. Company discloses material or significant RPTs in its Annual Company Report or Annual Corporate Governance Report, reviewed and approved by the Board, and submitted for confirmation by majority vote of the stockholders in the annual stockholders' meeting during the year	COMPLIANT	<p>The policy on related party transactions (RPTs) substantiates to this practice with regard disclosure of material or significant RPTs as duly reviewed and approved by the Board.</p>	

Recommendation 8.7			
1. Company's corporate governance policies, programs and procedures are contained in its Manual on Corporate Governance (MCG)	COMPLIANT	The company has a Manual on Corporate Governance which contains its policies, programs and procedures relative to corporate governance.	
2. Company's MCG is posted on its company website.	COMPLIANT	Item 1 & 2 PGIC Manual is available at its website and also available as Asean Corporate Governance .	

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			
1. Audit Committee has a robust process for approving and recommending the appointment, reappointment, removal, and fees of the external auditors	COMPLIANT	The Terms of Reference of the Audit Committee provides for the information and provision on the approval, recommendation, reappointment, removal and fees of PGIC's external auditor. Items 1 & 2 PGIC policy on Audit and Finance Committee included the process of approving and recommending the appointment, re-appointment, removal and fees of the external auditor. Such decision making is within the internal control and approval or recommendation by the Board.	
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.	COMPLIANT	Recommendation by the Audit Committee, approval of the Board and ratification by the shareholders must be established and secured prior to the appointment, reappointment, removal and deliberation on fees of the external auditor. The Minutes of the Annual Shareholders' Meeting also shows the percentage of shareholders that ratified the appointment reappointment, removal and fees of the external auditor.	
3. For removal of the external auditor, the reasons for removal or change are disclosed to the regulators and the public through the	COMPLIANT	To date, there is no instance of removal or change of external auditor that was taken up by the Audit	

Recommendation 9.2			
<p>1. Audit Committee Charter includes the Audit Committee's responsibility on:</p> <p>i. Assessing the integrity and independence of external auditors;</p> <p>ii. Exercising effective oversight to review and monitor the external auditor's independence and objectivity; and</p> <p>iii. Exercising effective oversight to review and monitor the effectiveness of the audit process, taking into consideration relevant Philippines professional and regulatory requirements.</p>		<p>Items 1 & 2</p> <p>PGIC has established an audit and Finance Committee stating its responsibilities including reviewing and monitoring of external auditor's sustainability and effectiveness on an annual basis</p>	
<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>		<p>This responsibility of the Audit Committee is specified under Board Committee Charters/Terms of Reference.</p>	
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	<p>Provision(s) on non-audit services performed by the external auditor are contained in Audit Committee Charter. Disclosure and particulars of the same are also being tabled for discussion among the members of the Board, lead by the Audit Committee.</p> <p>Items 1 & 2</p> <p>PGIC external auditor is Sureta and Associates] who prepares the company's Financial position, statement of changes in equity, statement of comprehensive income and statement of cash flows. The Financial position presents reports in accordance with the Philippine Standards. Financial Reporting Standards on Auditing which is provided on the Audited Financial Statement of the company.</p>	
<p>2. Audit Committee stays alert for any potential conflict of interest situations, given the</p>	COMPLIANT	<p>The audit committee oversees this responsibility as guided by the provision(s) on non-audit services</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.	COMPLIANT	The audit committee oversees this responsibility as guided by the provision(s) on non-audit services performed by the external auditor.	
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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

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	COMPLIANT	Items 1 & 2 PGIC Manual o Corporate Governance has a policy on disclosure of non financial information, the framework of rules and processes that govern the performance of Board and Management of their respective duties and responsibilities and to the community un which it operates. It undertakes to strictly comply and adheres to raise its standards and best practices in accordance with Asean Corporate Governance Guidelines and Regional and Global Standards.	
2. Company adopts a globally recognized standard/framework in reporting sustainability and non-financial issues.	COMPLIANT		

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	PGIC has an updated website to ensure the timely and accurate dissemination of material and relevant information to the shareholders and the public.	
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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.

1. Company has an adequate and effective internal control system in the conduct of its business.	COMPLIANT	The Company has internal control systems in place, one covers and examines its operational aspect and financial conditions while the other focuses on the audit of the quality management system of the Company former is spearheaded by the Internal Audit Committee while the latter is being carried out by the Quality Management Team with the Legal &	
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		<p>Corporate Compliance Department as its handling division. Internal audit on the operations of the company and internal audit on the organization's Quality Management System (QMS) are both being done at least twice a year or when the need arises and/or upon recommendation of Management.</p> <p>PGIC has different internal committees which is tasked in line with the functions and responsibilities as stated in the company manual and HR policies. Each committee exercises their power with due care and diligence. It ensures that decisions are made in good faith and in the best interest of the company. The reports are well scrutinized based on the committees plans and scope of activities which is being reviewed and submitted to the Board during the scheduled meetings.</p> <p>PGIC has an adequate and effective risk management framework in the conduct of its business in accordance with PGIC manual risk management. The main risks arising from the company's financial instruments are credit risk, liquidity risks and interest rate risk and PGIC ensures the integrity of internal control activities, develops, oversees, checks and pre- approves financial management functions and systems in the areas of other risks and crisis management.</p>	
2. Company has an adequate and effective enterprise risk management framework in the conduct of its business	COMPLIANT		
Recommendation 12.2			
1. Company has in place an independent internal audit function that provides an independent and objective assurance, and	COMPLIANT	PGIC has an internal Audit and Finance Committee which provides an independent internal audit function that provides an independent and objective assurance	

consulting services designed to add value and improve company's operations		and consulting services to improve the corporation's operations.	
Recommendation 12.3			
1. The company has qualified Chief Audit Executive (CAE) appointed by the Board.	COMPLIANT	Items 1, 2 & 3 PGIC has internal audit activity to ensure connect data gathering and to avoid further lines to the company due to misinformation.	
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		
3. In case of a fully outsourced internal audit activity, qualified independent executive or senior management personnel is assigned the responsibility for managing the fully Outsourced internal audit activity.	COMPLIANT	Considering the company's size, risk profile and complexity of operations, the management deems that an outsourced internal audit activity is not necessary.	
Recommendation 12.4			
1. The company has a separate risk Management function to identify, assess and monitor key risk exposures.	COMPLIANT	The company has a separate risk management functions which are undertaken by its Chief Risk Officer, Risk Management Committee and Internal Audit Department.	
Recommendation 12.5			
1. In managing the company's Risk Management System, the company has Chief Risk Officer.	COMPLIANT	PGIC Executive Vice President for Operations, acts as the Company's Chief Risk Officer (CRO)	
2. CRO has adequate authority, stature, resources and support to fulfill his/her Responsibilities.	COMPLIANT	The Chief Risk Officer of the Manual on Corporate Governance provides for the CRO's roles, responsibilities and functions. As the EVP for Operations and CRO, he plans, directs, coordinates, and oversees business operations activities in the Organization, ensuring development and implementation of efficient operations and cost-effective systems to meet current and future needs of the organization. Moreover, she supervises the entire risk management process and spearheads the Development, implementation, maintenance and	

		continuous improvement of risk management processes and documentation, among other duties.	
Cultivating a Synergic Relationship with Shareholders			
Recommendation 13.1			
1. Board ensures that basic shareholder rights are disclosed in the Manual on Corporate Governance.	COMPLIANT	Basic shareholders' rights, pursuant to the Corporation Code, are explicitly stated. Lists the role and responsibilities of the Board concerning relation and dialogue with shareholders.	
2. Board ensures that basic shareholder rights are disclosed on the company's website.	COMPLIANT	The Manual on Corporate Governance of the organization, containing the provisions on basic shareholders' rights, is publicly posted in the 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	Notice of the Annual Shareholders' Meeting were sent out to the members of the Board as well as the other shareholders. Thirty days before the date of the meeting.	
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		This practice/mechanism shall be observed on the next Annual Shareholders' Meeting for 2024 although results of the votes taken are put on record based from the recent minutes of the Annual Shareholders' Meeting as posted on the website under Corporate Documents
2. Minutes of the Annual and Special Shareholders' Meetings are available on the company website within five business days from the end of the meeting.	NON-COMPLIANT		The Minutes will be approved and confirmed by the shareholders and members of the Board on the meeting for the succeeding year. Although this practice will be tabled for discussion among the members of the Board. Nonetheless, refer to the minutes of the Annual Shareholders'

Recommendation 13.4			
1. Board has an alternative dispute mechanism to resolve intra-corporate disputes in an amicable and effective manner	COMPLIANT	The Board has an alternative dispute resolution system in place as stated under The Company's Manual on Corporate Governance	
2. The alternative dispute mechanism is included in the company's Manual on Corporate Governance	COMPLIANT	This is explicitly specified under 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 identified the company's various stakeholders and promotes cooperation between them and the company in creating wealth, growth and sustainability.	COMPLIANT	Refer to the latest General Information Sheet as posted in the website for information about the Company's shareholders.	
Recommendation 14.2			
1. Board establishes clear policies and Programs to provide a mechanism on the fair treatment and protection of stakeholders.	COMPLIANT	Provisions on equitable treatment of shareholders are included in the Code of Business Conduct and Ethics .	
Recommendation 14.3			
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	Stakeholders may lodge their concerns and/or complaints for possible violation of their rights to PGIC or reach the Legal & Corporate Compliance Department.	

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			
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.	COMPLIANT	PGIC has several programs grounded on the principle of Corporate Social Responsibility (CSR) as it engages its employees and customers in giving back as to make them feel like they have a voice in line with the realization of the company's goals. Under CSR, value training for employment, employee and stakeholder training, employee welfare policy,	

		training, employee welfare policy, health monitoring and maintenance are among the company policies which cater to employee welfare and their needs.	
Recommendation 15.2			
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.	COMPLIANT	PGIC has an Anti-Corruption Policy in place that aims to mitigate corrupt practices such as, but not limited to, bribery, fraud, extortion, collusion, conflict of interest and money laundering within the organization.	
2. Board disseminates the policy and program to employees across the organization through trainings to embed them in the company's culture.	COMPLIANT	Employees are issued with the organization's Code of Conduct and Ethics as well as the policy on anti-corruption. Employees are required to read and sign an Employee Personal Affirmation Form; not only to confirm his understanding of this Code of Conduct and Ethics and this policy, but also, his full observation of the various other policies practiced in the organization.	
Recommendation 15.3			
1. Board establishes a suitable framework for whistle blowing that allows employees to freely communicate their concerns about illegal or unethical practices, without fear of retaliation.	COMPLIANT	PGIC has a whistleblower policy plan in place to encourage Board members, staff and employees to report suspected or actual occurrence(s) of illegal, unethical or inappropriate events, behaviors and practices without retribution.	
2. Board establishes a suitable framework for whistle blowing that allows employees to have direct access to an independent member of the Board or a unit created to handle whistle blowing concerns.	COMPLIANT		
3. Board supervises and ensures the enforcement for the whistle blowing framework.	COMPLIANT	The Board, with the audit committee as the handling unit for whistle blowing matters, monitors, supervises and ensures enforcement for whistle blowing framework.	
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 positive and progressive manner that is fully supportive of its comprehensive and balanced development.			
Recommendation 16.1			
1. Company recognizes and places importance on the interdependence between business and	COMPLIANT	Under Corporate Social Responsibility , PGIC is governed by its principle which aims to contribute to	

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.		societal goals of a philanthropic or charitable nature by engaging in or supporting volunteering or ethically-oriented practices as well as value training for employment, employee and stakeholder training, employee welfare policy, health monitoring and maintenance and charitable causes.	
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CERTIFICATION

The undersigned certify that the responses and explanations set forth in the above Company's Annual Corporate Governance Report are true, complete and correct of our own personal knowledge and/or based on authentic records.

JAN 10 2025

Signed in the City of Manila on the _____ day of 20_____.

LIBRADA C. PINGOL
Compliance Officer

EDWARD PHILIP E. DELA CRUZ
President & CEO

FELIPA E. DELA CRUZ
Chairman of the Board

JAN 10 2025

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

1. LIBRADA C. PINGOL ID No. 03-2515210 DATE/PLACE ISSUED _____
2. EDWARD PHILIP E. DELA CRUZ ID No. P0454898B DATE/PLACE ISSUED _____
2. FELIPA E. DELA CRUZ ID No. 02-52722463 DATE/PLACE ISSUED _____

NOTARY

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SERIES OF 2024

ATTY. MARIE LE JEMELLE L. LAGUERTA
Notary Public for City of Manila Until Dec. 31, 2025
Notarial Commission No. 2024-179
Tower 3, 3K, No. 1 & B.M. Lopez St., Ermita, Manila
L.B.P. NO. 488287- Dec. 27, 2024 for the year 2025
PTR NO. 2041441-Jan. 2, 2025 at Manila
MCLE NO. VIII-0010660- Valid until 4-14-2028
Roll No. 88314