

ASEAN CORPORATE GOVERNANCE SCORECARD

PRUDENTIAL GUARANTEE AND ASSURANCE, INC.
 FINANCIAL YEAR 2018
 NON-LIFE INSURANCE | CLASS 3



PART D DISCLOSURE AND TRANSPARENCY

ITEM NO.	GOVERNING STANDARD	GUIDING REFERENCE	RESPONSE	REFERENCE/ SOURCE DOCUMENT
D . 1 Transparent Ownership Structure				
D.1.1	Does the information on shareholdings reveal the identity of beneficial owners, holding 5% shareholding or more?	<p>OECD Principle V:</p> <p>Disclosure and Transparency (A) <i>Disclosure should include, but not limited to, material information on:</i> (3) <i>Major share ownership and Voting rights, including group structures, intra-group relations, ownership data, and beneficial ownership.</i></p>	Yes	<p>This is included on the 2019 General Information Sheet, in compliance with the provisions of the Revised Corporation Code. However, based on the definition provided by the said regulation, only shareholders with ownership totalling 20% or more are included on the "Beneficial Ownership Declaration" page (Page 9). Nevertheless, the identity of all stockholders are revealed on the "Stockholder's Information" page (Pages 5-7).</p> <p>General Information Sheet (as at April 29, 2019) [Pages 5-7, 9]</p>
D.1.2	Does the company disclose the direct and indirect (deemed) shareholdings of major and/or substantial shareholders?	<p>ICGN 7.5 Disclosure of ownership <i>... the disclosure should include a description of the relationship of the company to other companies in the corporate group, data on major shareholders and any other information necessary for a proper understanding of the company's relationship with its public shareholders.</i></p>	Yes	<p>This information is included on <i>Item V. Schedule of Business Establishments where the Director/Trustee/Officer and their Spouse and Relatives within the Fourth Degree have Equity Interests</i>, of the Biographical Data (Circular Letter No. 2006-35) submitted by all substantial shareholders to the Insurance Commission. Due to provisions of the Data Privacy Act, said document cannot be easily published, but is available for review upon written request.</p> <p>Insurance Circular Letter No. 2006-35: Submission of Biographical Data (Item V)</p>

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D.1.3	Does the company disclose the direct and indirect (deemed) shareholdings of directors (commissioners)?	<p>OECD Principle V:</p> <p>Disclosure and Transparency (A) <i>Disclosure should include, but not limited to, material information on:</i> (3) <i>Major share ownership and Voting rights, including group structures, intra-group relations, ownership data, and beneficial ownership.</i></p> <p>ICGN 7.5 Disclosure of ownership <i>... the disclosure should include a description of the relationship of the company to other companies in the corporate group, data on major shareholders and any other information necessary for a proper understanding of the company's relationship with its public shareholders.</i></p>	Yes	<p>Like for substantial shareholders, this information is included on <i>Item V. Schedule of Business Establishments where the Director/Trustee/Officer and their Spouse and Relatives within the Fourth Degree have Equity Interests</i>, of the Biographical Data (Circular Letter No. 2006-35) submitted by all directors to the Insurance Commission. Due to provisions of the Data Privacy Act, said document cannot be easily published, but is available for review upon written request.</p> <p>Insurance Circular Letter No. 2006-35: Submission of Biographical Data (Item V)</p>
D.1.4	Does the company disclose the direct and indirect (deemed) shareholdings of senior management?		Yes	<p>Like for directors and substantial shareholders, this information is included on <i>Item V. Schedule of Business Establishments where the Director/Trustee/Officer and their Spouse and Relatives within the Fourth Degree have Equity Interests</i>, of the Biographical Data (Circular Letter No. 2006-35) submitted by all members of Senior Manager (Assistant Manager up, in the Corporation's case) to the Insurance Commission. Due to provisions of the Data Privacy Act, said document cannot be easily published, but is available for review upon written request.</p> <p>Insurance Circular Letter No. 2006-35: Submission of Biographical Data (Item V)</p>
D.1.5	Does the company disclose details of the parent/holding company, subsidiaries, associates, joint ventures and special purpose enterprises/vehicles (SPEs) (SPVs)?		Yes	<p>This is included on the Cover Page of the 2019 General Information Sheet (Page 1). However, the Corporation does not have any relationship with a parent/holding company, subsidiary, associate, joint venture, SPEs, or SPVs.</p> <p>General Information Sheet (as at April 29, 2019) [Page 1]</p>

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D . 2 Quality of Annual Report				
Does the company's annual report disclose the following items:				
D.2.1	Key risks	"OECD Principle V: (A) (1) <i>The financial and operating results of the company;</i> (2) <i>Company objectives, including ethics, environment, and other public policy commitments;</i> (3) <i>Major share ownership and voting rights, including group structures, intra-group relations, ownership data, beneficial ownership;</i> (4) <i>Remuneration policy for members of the board and key executives, including their qualifications, the selection process, other company directorships and whether they are regarded as independent by the board;</i> (6) <i>Foreseeable risk factors, including risk management system;</i> (7) <i>Issues regarding employees and other stakeholders;</i> (8) <i>Governance structure and policies, in particular, the content of any corporate governance code or policy and the process by which it is implemented.</i>	Yes	These are extensively discussed on Note 29 (<i>Management of Capital, Insurance, and Financial Risks</i>) of the Annual Report. 2018 Annual Report (Pages 75-87)
D.2.2	Corporate objectives	(A) (1) <i>The financial and operating results of the company;</i> (2) <i>Company objectives, including ethics, environment, and other public policy commitments;</i> (3) <i>Major share ownership and voting rights, including group structures, intra-group relations, ownership data, beneficial ownership;</i> (4) <i>Remuneration policy for members of the board and key executives, including their qualifications, the selection process, other company directorships and whether they are regarded as independent by the board;</i> (6) <i>Foreseeable risk factors, including risk management system;</i> (7) <i>Issues regarding employees and other stakeholders;</i> (8) <i>Governance structure and policies, in particular, the content of any corporate governance code or policy and the process by which it is implemented.</i>	Yes	These are mentioned on the Vision-Mission Statement, the Message of the Chairman, and the President's Report on the Annual Report. 2018 Annual Report (Pages 1-4)
D.2.3	Financial performance indicators	(A) (1) <i>The financial and operating results of the company;</i> (2) <i>Company objectives, including ethics, environment, and other public policy commitments;</i> (3) <i>Major share ownership and voting rights, including group structures, intra-group relations, ownership data, beneficial ownership;</i> (4) <i>Remuneration policy for members of the board and key executives, including their qualifications, the selection process, other company directorships and whether they are regarded as independent by the board;</i> (6) <i>Foreseeable risk factors, including risk management system;</i> (7) <i>Issues regarding employees and other stakeholders;</i> (8) <i>Governance structure and policies, in particular, the content of any corporate governance code or policy and the process by which it is implemented.</i>	Yes	These are presented on the Financial Highlights section of the Annual Report. 2018 Annual Report (Pages 6-7)
D.2.4	Non-financial performance indicators	OECD Principle V: (E) <i>Channels for disseminating information should provide for equal, timely and cost-efficient access to relevant information by users.</i>	Yes	These are presented on Fast Facts, Corporate Policies, Products and Services, and Events and Sponsorships pages of the Annual Report. 2018 Annual Report (Pages 5.9, 94, 99)
D.2.5	Dividend policy	ICGN 2.4 Composition and structure of the board	Yes	The Corporation's Dividend Policy is included on the Annual Report. 2018 Annual Report (Page 9)
D.2.6	Details of whistle-blowing policy	ICGN 2.4.1 Skills and experience ICGN 2.4.3 Independence ICGN 5.0 Remuneration ICGN 5.4 Transparency	Yes	The Corporation's version of a Whistle-Blowing Policy, i.e., the "Anti-Fraud and Proactive Information Policy" is included on the Annual Report. 2018 Annual Report (Page 9)
D.2.7	Biographical details (at least age, qualifications, date of first appointment, relevant experience, and any other directorships of listed companies) of directors/ commissioners	UK Corporate Governance Code (2010) A.1.2 - <i>the number of meetings of the board and those committees and attendance by directors.</i> CLSA-ACGA (2010) CG Watch 2010 - Appendix 2 <i>(1) CG rules and practices</i> <i>(19) Disclose the exact remuneration of individual directors.</i>	Yes	The profiles of all thirteen (13) of the Corporation's Directors, with all the minimum information required, are included on the Annual Report. 2018 Annual Report (Pages 12-18)

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D.2.8	Training and/or continuing education programme attended by each director/ commissioner	OECD Principle V:	Yes	The profile of each of thirteen (13) Directors on the Annual Report contains a disclosure on the most recent trainings, conferences, and/or seminars attended by each Director. 2018 Annual Report (Pages 12-18)
D.2.9	Number of board of directors/ commissioners meetings held during the year			Complete disclosure on all Regular Meetings of the Board of Directors, including the Meetings of all Board Committees, with information on attendance per meeting, is available on the Annual Report. 2018 Annual Report (Pages 10-11)
D.2.10	Attendance details of each director/ commissioner in respect of meetings held			Complete disclosure on all Regular Meetings of the Board of Directors, including the Meetings of all Board Committees, with information on attendance per meeting, is available on the Annual Report. 2018 Annual Report (Pages 10-11)
D.2.11	Details of remuneration of each member of the board of directors/ commissioners			Disclosure on the remuneration of directors that was paid for in 2018 is included on the Annual Report. 2018 Annual Report (Page 10)

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Corporate Governance Confirmation Statement				
D.2.12	Does the Annual Report contain a statement confirming the company's full compliance with the code of corporate governance and where there is non-compliance, identify and explain reasons for each such issue?	<p>OECD PRINCIPLE V: (A) (8) UK CODE (JUNE 2010): Listing Rules 9.8.6 R (for UK incorporated companies) and 9.8.7 R (for overseas incorporated companies) state that: "in the case of a company that has a Premium listing of equity shares, the following items must be included in its Annual Report and accounts: a statement of how the listed company has applied the Main Principles set out in the UK CG Code, in a manner that would enable shareholders to evaluate how the principles have been applied; a statement as to whether the listed company has complied throughout the accounting period with all relevant provisions set out in the UK CG Code; or not complied throughout the accounting period with all relevant provisions set out in the UK CG Code, and if so, setting out:</p> <p>(i) those provisions, if any, it has not complied with; (ii) in the case of provisions whose requirements are of a continuing nature, the period within which, if any, it did not comply with some or all of those provisions; and (iii) the company's reasons for non-compliance."</p> <p>ASX CODE: Under ASX Listing Rule 4.10.3, companies are required to provide a statement in their Annual Report disclosing the extent to which they have followed the Recommendations in the reporting period. Where companies have not followed all the Recommendations, they must identify the Recommendations that have not been followed and give reasons for not following them. Annual Reporting does not diminish the company's obligation to provide disclosure under ASX Listing Rule 3.1.</p>		<p>A Confirmation Statement on the Corporation's compliance with the principles of corporate governance, including the adoption of a Manual on Corporate Governance, is included on the Annual Report.</p> <p>2018 Annual Report (Page 8)</p>
D . 3 D.3 Disclosure of Related Party Transactions (RPT)				
D.3.1	Does the company disclose its policy covering the review and approval of material/ significant RPTs?	<p>OECD Principle V: Disclosure and Transparency (A) <i>Disclosure should include, but not limited to, material information on:</i> (5) <i>Related party transactions</i></p> <p>ICGN 2.11.1 Related party transactions <i>The company should disclose details of all material related party transactions in its Annual Report.</i></p>	Yes	<p>The Corporation adopted its Related-Party Transactions (RPT) Policy on November 06, 2017. A copy of said policy is available on the Corporation's website.</p> <p>Related-Party Transactions (RPT) Policy</p>

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D.3.2	Does the company disclose the name of the related party and relationship for each material/ significant RPT?	OECD Principle V: Disclosure and Transparency <i>(A) Disclosure should include, but not limited to, material information on: (5) Related party transactions</i>	Yes	These RPTs are extensively discussed on Note 20 (Related-Party Transactions) on the Annual Report. 2018 Annual Report (Pages 68-69)
D.3.3	Does the company disclose the nature and value for each material/ significant RPT?	ICGN 2.11.1 Related party transactions <i>The company should disclose details of all material related party transactions in its Annual Report.</i>	Yes	Same as in the preceding number, the nature and value for each identified material RPT are disclosed on Note 20 (Related-Party Transactions) on the Annual Report. 2018 Annual Report (Pages 68-69)
D . 4 Directors and Commissioners dealings in the shares of the company				
D.4.1	Does the company disclose trading in the company's shares by insiders?	OECD Principle V: <i>(A) (3) Major share ownership and voting rights</i> ICGN 3.5 Employee share dealing <i>Companies should have clear rules regarding any trading by directors and employees in the company's own securities.</i> ICGN 5.5 Share ownership <i>Every company should have and disclose a policy concerning ownership of shares of the company by senior managers and executive directors with the objective of aligning the interests of these key executives with those of shareholders.</i>	No	The Company currently is in the process of developing procedures to manage stock transactions.

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D . 5 External auditor and Auditor Report				
Where the same audit firm is engaged for both audit and non-audit services				
D.5.1	Are audit fees disclosed?	OECD Principle V (C): <i>An annual audit should be conducted by an independent, competent and qualified, auditor in order to provide an external and objective assurance to the board and shareholders that the financial statements fairly represent the financial position and performance of the company in all material respects.</i>	Yes	The audit fees paid in 2018 to Sycip Gorres Velayo and Co. are disclosed on the Annual Report. 2018 Annual Report (Page 10)
D.5.2	Are the non-audit fees disclosed?	OECD Principle V (D): <i>External auditors should be accountable to the shareholders and owe a duty to the company to exercise due professional care in the conduct of the audit.</i>	Yes	The non-audit fees for 2018 were also disclosed on the Annual Report. Nevertheless, the amount of non-audit fees for 2018 is nil. 2018 Annual Report (Page 10)
D.5.3	Does the non-audit fees exceed the audit fees?	ICGN 6.5 Ethical standards (Audit) <i>The auditors should observe high-quality auditing and ethical standards. To limit the possible risk of possible conflicts of interest, non-audit services and fees paid to auditors for non-audit services should be both approved in advance by the audit committee and disclosed in the Annual Report.</i>	No	As there were no non-audit fees incurred in 2018, the audit fees for 2018 were much higher than the non-audit fees. 2018 Annual Report (Page 10)
D . 6 Medium of Communications				
Does the company use the following modes of communication?				
D.6.1	Quarterly Reporting	OECD Principle V: <i>(E) Channels for disseminating information should provide for equal, timely and cost-efficient access to relevant information by users.</i> ICGN 7.1 Transparent and open communication <i>Every company should aspire to transparent and open communication about its aims, its challenges, its achievements and its failures.</i>	Yes	The Corporation submits to the Insurance Commission, on a quarterly basis, its financial results for the period indicated therein. These reports are available on the website of the Insurance Commission, and/or copies of which may be obtained upon written request to the regulator. Non-life Statistics Section of the Insurance Commission Website (Updated Quarterly)
D.6.2	Company Website	ICGN 7.2 Timely disclosure <i>Companies should disclose relevant and material information concerning themselves on a timely basis, in particular meeting market guidelines where they exist, so as to allow investors to make informed decisions about the acquisition, ownership obligations and rights, and sales of shares.</i>	Yes	The Corporation maintains an official website, which it has recently redesigned to provide for much easier navigation. Prudential Guarantee's Official Website

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D.6.3	Analyst's briefing	OECD Principle V:	N.A.	As noted on Annex C of Circular Letter No. 2015-23, dated May 08, 2015, this is a "Not Applicable Item" for insurance companies falling under Class 3.
D.6.4	Media briefings /press conferences	(E) <i>Channels for disseminating information should provide for equal, timely and cost-efficient access to relevant information by users.</i>	Yes	The Corporation has frequently used print media (The Manila Times, BusinessWorld, etc.) to discuss various matters involving operations. Further, the Corporation has started archiving all its media briefings on its website, through the Press Corner.
		ICGN 7.1 Transparent and open communication <i>Every company should aspire to transparent and open communication about its aims, its challenges, its achievements and its failures.</i>		Prudential Guarantee's Press Corner
		ICGN 7.2 Timely disclosure <i>Companies should disclose relevant and material information concerning themselves on a timely basis, in particular meeting market guidelines where they exist, so as to allow investors to make informed decisions about the acquisition, ownership obligations and rights, and sales of shares.</i>		Sample Article: Prudential to improve IT system to sustain growth (The Manila Times) Sample Article: Prudential Guarantee opens in Davao (BusinessWorld)
D . 7 Timely filing /release of annual /financial reports				
D.7.1	Are the audited annual financial report /statement released within 120 days from the financial year end?		Yes	The Audited Financial Statements were released on April 29, 2019, or 119 days from financial year end. Audited Financial Statements, as at December 31, 2018 (Page 4)
D.7.2	Is the annual report released within 120 days from the financial year end?	OECD Principle V (C) OECD Principle V (E) OECD Principle V-(A). ICGN 7.2 <i>Timely disclosure</i>	Yes	The Annual Report was released on April 30, 2019, or exactly 120 days from financial year end. Timestamp of upload of 2018 Annual Report on Prudential Guarantee's Official Website
D.7.3	Is the true and fairness/fair representation of the annual financial statement/reports affirmed by the board of directors/commissioners and/or the relevant officers of the company?	ICGN 7.3 <i>Affirmation of financial statements</i> <i>The board of directors and the corporate officers of the company should affirm at least annually the accuracy of the company's financial statements or financial accounts.</i>	Yes	The Audited Financial Statements were released on April 29, 2019, or 119 days from financial year end. Audited Financial Statements, as at December 31, 2018 (Page 4)

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D . 8 Company Website				
Does the company have a website disclosing up-to-date information on the following:				
D.8.1	Business operations	OECD Principle V (A) OECD Principle V (E) ICGN 7.1 <i>Transparent and open communication</i> ICGN 7.2 <i>Timely disclosure</i>	Yes	Information on all of the Corporation's Products and Services, Claims Requirements, and Branches, are all on the website. Prudential Guarantee's Official Website Prudential Guarantee's Branch Directory
D.8.2	Financial statements/reports (current and prior years)		Yes	The Audited Financial Statements as at December 31, 2015 until as at December 31, 2018 are available on the website. Prudential Guarantee's Financial Statements and Reports
D.8.3	Materials provided in briefings to analysts and media		Yes	All advertorials and materials provided to all forms of print media are archived on the website. Prudential Guarantee's Press Corner
D.8.4	Shareholding structure		Yes	The shareholding structure of the Corporation is included on the General Information Sheet, which is available on the website. Prudential Guarantee's General Information Sheet
D.8.5	Group corporate structure		Yes	The Organizational Structure is available on the website. Prudential Guarantee's Organizational Structure
D.8.6	Downloadable annual report		Yes	The Annual Report is available for download on the website. Prudential Guarantee's 2018 Annual Report
D.8.7	Notice of AGM and/or EGM			The Notice of the 2018 Annual Stockholder's Meeting may be downloaded from the website. Notice for 2018 Annual Stockholders' Meeting
D.8.8	Minutes of AGM and/or EGM			The Minutes of the 2018 Annual Stockholder's Meeting may be downloaded from the website. Minutes of Annual Stockholders' Meeting (April 06, 2018)

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D.8.9	Company's constitution (company's by-laws, memorandum and articles of association)	OECD Principle V (A) OECD Principle V (E) ICGN 7.1 Transparent and open communication ICGN 7.2 Timely disclosure	Yes	The Corporation's Articles of Incorporation, as amended, and By-Laws, as amended, may be downloaded from the website. Articles of Incorporation, as amended on January 25, 2017 By-Laws, as amended on January 25, 2017
D . 9 Investor Relations				
D.9.1	Does the company disclose the contact details (e.g.telephone, fax, and email) of the officer/ office responsible for investor relations?	ICGN 7.1 Transparent and open communication	N.A.	As noted on Annex C of Circular Letter No. 2015-23, dated May 08, 2015, this is a "Not Applicable Item" for insurance companies falling under Class 3.