

ANNUAL CORPORATE GOVERNANCE REPORT			
	COMPLIANT/ NON- COMPLIANT	ADDITIONAL INFORMATION	EXPLANATION
The Board's Governance Responsibilities			
Principle 1: The company should be headed by a competent, working board to foster the long- term success of the corporation, and to sustain its competitiveness and profitability 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	Provide information or link/reference to a document containing information on the following: 1. Academic qualifications, industry knowledge, professional experience, expertise and relevant trainings of directors 2. Qualification standards for directors to facilitate the selection of potential nominees and to serve as benchmark for the evaluation of its performance	<i>The profile of each member of the Board of Directors, including their educational background, professional experience, and most recent trainings attended, is available on the "Our Team" section on the company's website. Further, the same is regularly disclosed in PGAI's Annual Report, copies of which are published on the company's website.</i>
			Reference: (1) Company Website: "Our Team" (2) Annual Reports
2. Board has an appropriate mix of competence and expertise.	Compliant		<i>PGAI's current set of directors are a strategic mix of seasoned perennials and industry veterans, as well as upcoming insurance luminaries and representatives with expertise on finance and related industries. The qualification standards for directors, including that for independent directors, is included in the Corporate Governance Manual.</i>
			Reference: Corporate Governance Manual
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		<i>Part of the responsibilities of the Governance Committee prior to the re-election of directors is to verify that the director up for re-election possesses all the qualifications for a director, and none of the disqualifications enumerated in the Corporate Governance Manual. This is pursuant to the provisions of the charter of the aforesaid Committee.</i>
			Reference: (1) Corporate Governance Manual (2) Governance Committee Charter

Recommendation 1.2			
1. Board is composed of a majority of non- executive directors.	Compliant	Identify or provide link/reference to a document identifying the directors and the type of their directorships	Currently, the Board has five (5) Non-Executive Directors and three (3) Independent Directors, or 62% of the membership of the Board of Directors. Reference: (1) Annual Reports (2) General Information Sheet
Recommendation 1.3			
1. Company provides in its Board Charter and Manual on Corporate Governance a policy on training of directors.	Compliant	Provide link or reference to the company's Board Charter and Manual on Corporate Governance relating to its policy on training of directors.	The Corporate Governance Manual provides that all directors shall attend at least one (1) training per year on topics covering corporate governance, business strategy, economics and finance, and other relevant topics. Reference: Corporate Governance Manual
2. Company provides in its Board Charter or Manual on Corporate Governance an orientation program for first time directors.	Compliant		The Corporate Governance Manual provides that all first time directors of PGAI complete at least 36 training hours on relevant topics within three (3) months from election. There were two (2) first time directors elected on 15 December 2023, Ms. Maria Rosalina T. Coyiuto and Mr. William C. Whang, who were scheduled to attend the 2024 corporate governance seminar. Reference: Corporate Governance Manual
3. Company has relevant annual continuing training for all directors.	Compliant	Provide information or link/reference to a document containing information on the orientation program and trainings of directors for the previous year, including the number of hours attended and topics covered.	On 16 November 2023, all the Directors virtually attended a three-hour seminar entitled: <u>"Corporate Governance Training</u> Topic 1: Economic Briefing Topic 2: Executive Briefing on Crisis Communication & Dealing with Controversies." This was conducted by Center for Global Best Practices. Reference: Certification from Center for Global Best Practices

Recommendation 1.4			
1. Board has a policy on board diversity.	Compliant	Provide information on or link/reference to a document containing information on the company's board diversity policy. Indicate gender composition of the board.	PGAI adopted its Board Diversity Policy on 01 September 2020. Included in its objectives is the introduction and election of female directors within the next three to five years. As of to date, the Board of Directors of Prudential Guarantee is composed of all male directors. Reference: (1) Board Diversity Policy (2) General Information Sheet
Recommendation 1.5			
1. Board is assisted by a Corporate Secretary.	Compliant	Provide information on or link/reference to a document containing information on the Corporate Secretary, including his/her name, qualifications, duties and functions.	The current Corporate Secretary of PGAI, Atty. Cristine C. Remollo, was appointed on 01 January 2019. Her executive profile is is available on the "Our Team" section on the company's website. The current Assistant Corporate Secretary of PGAI, Atty. Thomas Angelo A. Santos, was appointed on 16 September 2019. His executive profile is is available on the "Our Team" section on the company's website. The qualifications, duties, and functions of the Corporate Secretary are included both in PGAI's By-Laws and the Corporate Governance Manual. Reference: (1) General Information Sheet (2) Company Website: "Our Team" (3) Amended By-Laws (4) Corporate Governance Manual
2. Corporate Secretary is a separate individual from the Compliance Officer.	Compliant		The current Corporate Secretary of PGAI, Atty. Cristine C. Remollo, was appointed on 01 January 2019. The current Compliance Officer of PGAI, Atty. Ron Errick R. Loyola, was appointed on 01 May 2019. Reference: General Information Sheet
3. Corporate Secretary is not a member of the Board of Directors.	Compliant		Neither the current Corporate Secretary nor the current Assistant Corporate Secretary of PGAI are elected Member of the Board of Directors. Reference: General Information Sheet

4. Corporate Secretary attends training/s on corporate governance.	Compliant	Provide information or link/reference to a document containing information on the corporate governance training attended, including number of hours and topics covered	From 01 January 2023 to present, the Corporate Secretary and the Asst. Corp. Secretary of PGAI have attended the following seminars: "Corporate Governance Training Topic 1: Economic Briefing Topic 2: Executive Briefing on Crisis Communication & Dealing with Controversies." (16 November 2023) - 3 hours Both the Corporate Secretary and Assistant Corporate Secretary also completed their 8th Compliance Period for Mandatory Continuing Legal Education, in compliance with Supreme Court rules, in 2024. (Fr. Joaquin G. Bernas, S.J. Institute for Continuing Legal Education - 36 hours) Reference: (1) Certification from Center for Global Best Practices (2) MCLE Certificates
Recommendation 1.6			
1. Board is assisted by a Compliance Officer.	Compliant	Provide information on or link/reference to a document containing information on the Compliance Officer, including his/her name, position, qualifications, duties and functions.	The current Compliance Officer of PGAI, Atty. Ron Errick R. Loyola, was appointed on 01 May 2019. His executive profile is available on the "Our Team" section on the company's website. The qualifications, duties, and functions of the Compliance Officer are included both in PGAI's By-Laws and the Corporate Governance Manual. Reference: (1) General Information Sheet (2) Company Website: "Our Team" (3) Amended By-Laws (4) Corporate Governance Manual

COMPANY NAME: PRUDENTIAL GUARANTEE AND ASSURANCE, INC. (PGAI)

2. Compliance Officer has a rank of Vice President or an equivalent position with adequate stature and authority in the corporation.	Non-Compliant		<i>The current Compliance Officer of PGAI, Atty. Ron Errick R. Loyola, was appointed on 01 May 2019. He currently has a rank of Assistant Vice-President and heads the Compliance Group under the Legal and Compliance Department, headed by the General Counsel, who has a rank of Senior Vice-President. There is a direct line of reporting of all compliance matters to the Governance Committee. Nevertheless, PGAI will revisit on how best to comply with this matter. Further, the Compliance Officer is currently finishing further training that may lead to subsequent promotion.</i> Reference: General Information Sheet
3. Compliance Officer is not a member of the board.	Compliant		<i>The Compliance Officer of PGAI is not an elected Director.</i> Reference: General Information Sheet
4. Compliance Officer attends training/s on corporate governance annually.	Compliant	Provide information on or link/reference to a document containing information on the corporate governance training attended, including number of hours and topics covered	<i>From 01 January 2023 to present, the Compliance Officer of PGAI have attended the following seminars:</i> <i>1. "Best Practices in Business Continuity Management" (Philippine Institute of Certified Public Accountants) 10 February 2024 - 2 hours</i> <i>2. "A Look Into the Recent Tax Issuances and Impact on Compliance" (Philippine Institute of Certified Public Accountants) 20 January 2024 - 2 hours</i> <i>3. "Corporate Governance Training Topic 1: Economic Briefing Topic 2: Executive Briefing on Crisis Communication & Dealing with Controversies." (Center for Global Best Practices); 16 Nov 2023 - 3 hours</i> <i>The Compliance Officer also completed their 8th Compliance Period for Mandatory Continuing Legal Education, in compliance with Supreme Court rules, in 2024. (Fr. Joaquin G. Bernas, S.J. Institute for Continuing Legal Education - 36 hours)</i> Reference: (1) Certification from Center for Global Best Practices (2) Certification from Phil. Institute of CPA's (3) MCLE Certificate

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	Provide information or reference to a document containing information on how the directors performed their duties (can include board resolutions, minutes of meeting)	<i>As required by PGAI's By-Laws, the Board meets every month to perform corporate acts and decide upon matters on a timely manner. Minutes of the Regular Board Meetings may be made available upon request.</i> Reference: Certification on Meetings Held for 2023
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Recommendation 2.2

1. Board oversees the development, review and approval of the company's business objectives and strategy.	Compliant	Provide information or link/reference to a document containing information on how the directors performed this function (can include board resolutions, minutes of meeting)	<i>Part of the responsibilities of the Board identified in the Corporate Governance Manual is "to be primarily responsible in the development and periodic review of [PGAI's] overall strategy, including defining both the immediate and long-term objectives of Prudential Guarantee, in with the aim of realizing the corporate vision of the company."</i> Reference: Corporate Governance Manual
2. Board oversees and monitors the implementation of the company's business objectives and strategy in order to sustain the company's long-term viability and strength.	Compliant	Indicate frequency of review of business objectives and strategy	<i>As the Head of the Executive Committee, the Board requires the President and Chief Executive Officer, Mr. Anthony G. Sy, to regularly report on the overall performance of PGAI, which generally includes items relating to the company's overall strategy. For 2022, Mr. Sy presented said update on the Regular Meeting of the Board on 09 October 2023.</i> <i>Also, a Management Conference is held at the tail end of each year, wherein key officers look into whether or not objectives set for the year are being met or have already been met. If not, proposals are made to either revise strategies or defer the fulfillment of said objectives.</i> Reference: Minutes of the Regular Meeting (09 October 2023)

Recommendation 2.3			
1. Board is headed by a competent and qualified Chairperson.	Compliant	Provide information or reference to a document containing information on the Chairperson, including his/her name and qualifications	PGAI's Chairman, Mr. Robert Coyiuto, Jr., is a recognized luminary in the insurance industry. His executive profile is available on the "Our Team" section on the company's website. Reference: Company's Website: "Our Team"
Recommendation 2.4			
1. Board ensures and adopts an effective succession planning program for directors, key officers and management.	Compliant	Disclose and provide information or link/reference to a document containing information on the company's succession planning policies and programs and its implementation	PGAI's By-Laws define the succession planning policy of the company for its directors and its key officers, including that for the President. Nevertheless, PGAI intends to institute a separate policy within the next 1-2 years that it will outline a comprehensive succession planning program for directors, key officers, and other members of Management. Reference: Amended By-Laws
2. Board adopts a policy on the retirement for directors and key officers.	Compliant		The Corporate Governance Manual provides for the retirement policy for directors. As for executive officers, the approved Retirement Program for employees is followed. Reference: Corporate Governance Manual
Recommendation 2.5			
1. Board formulates and adopts a policy specifying the relationship between remuneration and performance of key officers and board members.	Compliant		The Corporate Governance Manual provides for the remuneration policy for directors. As for executive officers, the approved Remuneration Policy for employees is followed. Reference: Corporate Governance Manual
2. Board aligns the remuneration of key officers and board members with long-term interests of the company	Compliant	Provide information on or link/reference to a document containing information on the company's remuneration policy and its implementation, including the relationship between remuneration and performance.	One of the duties of the Governance Committee, pursuant to its assumption of the functions of the Compensation Committee, is to periodically review the remuneration for both directors and key officers. Reference: Corporate Governance Manual
3. Directors do not participate in discussions or deliberations involving his/her own remuneration.	Non-Compliant		As a family-owned corporation, where majority of the members of the Board of Directors belong to the same family, it is quite improbable to ensure that directors do not have a say on their own remuneration. Nevertheless, the Board is looking into how this recommendation may be complied with.

Recommendation 2.6			
1. Board has a formal and transparent board nomination and election policy.	Compliant		<i>The rules and procedures governing nomination and election to the Board of Directors and its committees is incorporated in Corporate Governance Manual and in the Governance Committee Charter.</i> Reference: (1) Corporate Governance Manual (2) Governance Committee Charter
2. Board nomination and election policy is disclosed in the company's Manual on Corporate Governance.	Compliant	Provide information or reference to a document containing information on the company's nomination and election policy and process and its implementation, including the criteria used in selecting new directors, how the shortlisted candidates and how it encourages nominations from shareholders.	<i>The rules and procedures governing nomination and election to the Board of Directors and its committees is incorporated in Corporate Governance Manual and in the Governance Committee Charter.</i> Reference: (1) Corporate Governance Manual (2) Governance Committee Charter
3. Board nomination and election policy includes how the company accepted nominations from minority shareholders.	Compliant	Provide proof if minority shareholders have a right to nominate candidates to the board	<i>The Corporate Governance Manual and the Governance Committee Charter includes the procedures on nominations submitted by minority shareholders.</i> Reference: (1) Corporate Governance Manual (2) Governance Committee Charter
4. Board nomination and election policy includes how the board shortlists candidates.	Compliant	Provide information if there was an assessment of the effectiveness of the Board's processes in the nomination, election or replacement of a director.	<i>The Corporate Governance Manual and the Governance Committee Charter includes the procedures on shortlisting of candidates for election as director.</i> Reference: (1) Corporate Governance Manual (2) Governance Committee Charter
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		<i>The Corporate Governance Manual and the Governance Committee Charter includes a procedure for a periodic assessment, though self-conducted, of the processes of the said Committee. Further, PGAI is looking into possibly engaging a third-party evaluator to conduct the assessment.</i> Reference: (1) Corporate Governance Manual (2) Governance Committee Charter

6. Board has a process for identifying the quality of directors that is aligned with the strategic direction of the company.	Compliant		<i>The Governance Committee, as part of its process in reviewing nominations, assesses the qualifications all stockholders vying for election, including incumbent directors. For incumbent directors, their performance as a director in the preceding year is considered on whether or not said director was able to fulfill its duties accordingly, as defined in the Corporate Governance Manual.</i> Reference: (1) Corporate Governance Manual (2) Governance Committee Charter
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	Provide information on or reference to a document containing the company's policy on related party transaction, including policy on review and approval of significant RPTs	<i>The Board approved the Related-Party Transactions (RPT) Policy of PGAI on November 06, 2017. The Policy covers:</i> <i>a. capture a broader spectrum of transactions, covering not only those that give rise to credit and/or counterparty risks but also those that could pose significant risk exposure or potential abuse to Prudential Guarantee and its stakeholders; and,</i> <i>b. cover the identification, prevention, and management of potential or actual conflicts of interest which may arise on the day-to-day operations of Prudential Guarantee.</i> Reference: Related-Party Transactions (RPT) Policy
2. RPT policy includes appropriate review and approval of material RPTs, which guarantee fairness and transparency of the transactions.	Compliant	Identify transactions that were approved pursuant to the policy.	<i>The RPT Policy provides that all RPTs are subject for review and approval by the RPT Committee.</i> Reference: Related-Party Transactions (RPT) Policy
3. RPT policy encompasses all entities within the group, taking into account their size, structure, risk profile and complexity of operations.	Compliant		<i>The RPT Policy covers all departments, branches, and extension offices of PGAI, as well as all companies with interlocking interests with PGAI.</i> Reference: Related-Party Transactions (RPT) Policy

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	Provide information on or reference to a document containing the Board's policy and responsibility for approving the selection of management.	The Corporate Governance Manual provides that the Board has the responsibility to approve the appointment of members of Management. The current list of Management is available on the General Information Sheet.
		Identify the Management team appointed.	Reference: (1) Corporate Governance Manual (2) General Information Sheet
2. Board is primarily responsible for assessing the performance 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	Provide information on or reference to a document containing the Board's policy and responsibility for assessing the performance of management.	The Corporate Governance Manual outlines the appraisal procedures for members of Management, which provides the Board the responsibility to assess the performance of key officers, including the CEO, CRO, CO, and CAE.
		Provide information on the assessment process and indicate frequency of assessment of performance.	Reference: Corporate Governance Manual
Recommendation 2.9			
1. Board establishes an effective performance management framework that ensures that Management's performance is at par with the standards set by the Board and Senior Management.	Compliant	Provide information on or link/reference to a document containing the Board's performance management framework for management and personnel.	The Company has a Performance Management and Appraisal System focuses both on tangible results and competencies, which also applies to members of Management.
			The Board through the Human Resources Department adopts an annual performance appraisal for all employees. It serves as a feedback mechanism and is issued as a reference for regularization, merit increases, salary adjustments, promotions, or training needs. Reference: Employee Performance Appraisal Policy

2. Board establishes an effective performance management framework that ensures that personnel's performance is at par with the standards set by the Board and Senior Management.	Compliant		<i>The Company has a Performance Management and Appraisal System focuses both on tangible results and competencies.</i> <i>The Board through the Human Resources Department adopts an annual performance appraisal for all employees. It serves as a feedback mechanism and is issued as a reference for regularization, merit increases, salary adjustments, promotions, or training needs.</i> Reference: Employee Performance Appraisal Policy
Recommendation 2.10			
1. Board oversees that an appropriate internal control system is in place.	Compliant	Provide information on or link/reference to a document showing the Board's responsibility for overseeing that an appropriate internal control system is in place and what is included in the internal control system	<i>The Corporate Governance Manual provides that the Board of Directors shall oversee that an appropriate internal control system is in place.</i> Reference: Corporate Governance Manual
2. The internal control system includes a mechanism for monitoring and managing potential conflict of interest of the Management, members and shareholders.	Compliant		<i>The Corporate Governance Manual provides that the internal control system in place includes setting up a mechanism for monitoring and managing potential conflicts of interest of Management, Board Members, and Shareholders.</i> Reference: Corporate Governance Manual
3. Board approves the Internal Audit Charter.	Compliant		<i>PGAI has long established an Internal Audit Department to help the Board and Executive Management to protect the assets, reputation, and sustainability of the Company by providing an independent and objective assurance and consulting activity that is guided by a philosophy of adding value to improve the operations of the organization. The IA Charter was approved in 2011.</i> Reference: Internal Audit Charter

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		The Corporate provides a disclosure of its risk management framework on its Annual Reports, the latest Statement therein states: "Prudential Guarantee implements an Enterprise Risk Management Program which serves as the framework for both Management and staff to manage and mitigate the organization's key risks. As a corporation who thrives in the very existence of risk, Prudential Guarantee deems it important that not only should the organization be made up-to-date of the risks prevalent in its operations, but also be able to timely measure whether such risks are still well within its risk appetite. In support of this initiative, and to verify the soundness of the internal controls established to managed these identified risks, a periodic review (at least once a year) is conducted by Internal Audit to validate if the risk management systems implemented to combat said key risks are both apt and sufficient. Based on the results of the said review, Prudential Guarantee hereby affirms with reasonable assurance that key risks, whether financial, operational, underwriting, reinsurance, or investment in nature, are all relatively identified, and that the internal controls set in the day-to-day operations of Prudential Guarantee and reasonably adequate."
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	Provide information on or link/reference to a document showing the Board's oversight responsibility on the establishment of a sound enterprise risk management framework and how the board was guided by the framework. Provide proof of effectiveness of risk management strategies, if any.	Reference: Annual Reports
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	Provide link to the company's website where the Board Charter is disclosed.	There is no separate Board Charter. The roles, responsibilities and accountabilities of the Board in carrying out its fiduciary role are formalized and clearly stated in the Corporate Governance Manual. Reference: Corporate Governance Manual

2. Board Charter serves as a guide to the directors in the performance of their functions.	Compliant		<i>There is no separate Board Charter. The roles, responsibilities and accountabilities of the Board in carrying out its fiduciary role are formalized and clearly stated in the Corporate Governance Manual.</i> Reference: Corporate Governance Manual
3. Board Charter is publicly available and posted on the company's website.	Compliant		<i>There is no separate Board Charter. The roles, responsibilities and accountabilities of the Board in carrying out its fiduciary role are formalized and clearly stated in the Corporate Governance Manual.</i> Reference: Corporate Governance Manual
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	Provide information or link/reference to a document containing information on all the board committees established by the company.	<i>PGAI has six (6) Board Committees:</i> <i>a. Executive Committee</i> <i>b. Audit Committee</i> <i>c. Governance Committee</i> <i>d. RPT Committee</i> <i>e. Risk Management and Oversight Committee</i> <i>f. Investments Committee</i> <i>Each committee has its own charters, all of which are incorporated on the Corporate Governance Manual.</i> Reference: Corporate Governance Manual

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	Provide information or link/reference to a document containing information on the Audit Committee, including its functions. Indicate if it is the Audit Committee's responsibility to recommend the appointment and removal of the company's external auditor	<i>The functions of the Audit Committee are included on its Charter, which has been incorporated on the Corporate Governance Manual. Further, said Charter provides that it has the responsibility to recommend appointment or removal of the external auditor, which the Chairman of the Audit Committee performs during the Annual Stockholders' Meeting.</i> Reference: Corporate Governance Manual
2. Audit Committee is composed of at least three appropriately qualified non-executive directors, the majority of whom, including the Chairman is independent.	Compliant	Provide information or link/reference to a document containing information on the members of the Audit Committee, including their qualifications and type of directorship.	<i>The Audit Committee is composed of all independent directors, to wit:</i> 1. Emmanuel C. Alcantara (C) 2. Cesar C. Cruz 3. William C. Whang <i>The same is disclosed on the Annual Reports and on the Company's website.</i> Reference: (1) Company Website: "Our Team" (2) Annual Reports
3. All the members of the committee have relevant background, knowledge, skills, and/or experience in the areas of accounting, auditing and finance.	Compliant	Provide information or link/reference to a document containing information on the background, knowledge, skills, and/or experience of the members of the Audit Committee.	<i>The profile of each member of the Audit Committee is available on the "Our Team" section on the Company's website.</i> Reference: Company Website: "Our Team"
4. The Chairman of the Audit Committee is not the Chairman of the Board or of any other committee.	Compliant	Provide information or link/reference to a document containing information on the Chairman of the Audit Committee	<i>Atty. Emmanuel C. Alcantara only chairs the Audit Committee. He is a member of the Governance Committee as well.</i> Reference: Company Website: "Our Team"

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	Provide information or reference to a document containing information on the Corporate Governance Committee, including its functions Indicate if the Committee undertook the process of identifying the quality of directors aligned with the company's strategic direction, if applicable.	<i>The functions of the Governance Committee are included on its Charter, which has been incorporated on the Corporate Governance Manual. These include the combined functions previously assigned to the Nomination Committee and the Compensation Committee.</i> <i>Further, said Charter provides that it has the responsibility to screen and appraise the qualifications of current and would-be directors.</i> Reference: Corporate Governance Manual
2. Corporate Governance Committee is composed of at least three members, all of whom should be independent directors.	Compliant	Provide information or link/reference to a document containing information on the members of the Corporate Governance Committee, including their qualifications and type of directorship.	<i>The Corporate Governance Committee is composed of all independent directors, to wit:</i> 1. Cesar C. Cruz (C) 2. Emmanuel C. Alcantara 3. William C. Whang <i>The same is disclosed on the Annual Reports and on the Company's website.</i> Reference: (1) Company Website: "Our Team" (2) Annual Reports
3. Chairman of the Corporate Governance Committee is an independent director.	Compliant	Provide information or link/reference to a document containing information on the Chairman of the Corporate Governance Committee.	<i>Atty. Cesar C. Cruz is an Independent Director.</i> Reference: Company Website: "Our Team"

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	Provide information or link/reference to a document containing information on the Board Risk Oversight Committee (BROC), including its functions	<i>The functions of the Risk Management and Oversight Committee are included on its Charter, which has been incorporated on the Corporate Governance Manual.</i> Reference: Corporate Governance Manual
2. BROC is composed of at least three members, the majority of whom should be independent directors, including the Chairman.	Compliant	Provide information or link/reference to a document containing information on the members of the BROC, including their qualifications and type of directorship	<i>The Risk Management and Oversight Committee is composed of the following directors, to wit:</i> 1. Cesar C. Cruz (C) - Independent 2. Celestino L. Ang 3. Anthony G. Sy <i>The same is disclosed on the Annual Reports and on the Company's website.</i> Reference: (1) Company Website: "Our Team" (2) Annual Reports
3. The Chairman of the BROC is not the Chairman of the Board or of any other committee.	Compliant	Provide information or link/reference to a document containing information on the Chairman of the BROC	<i>Atty. Cesar C. Cruz is neither the Chairman of the Board nor of any other committee.</i> Reference: Company Website: "Our Team"
4. At least one member of the BROC has relevant thorough knowledge and experience on risk and risk management.	Compliant	Provide information or link/reference to a document containing information on the background, skills, and/or experience of the members of the BROC.	<i>Atty. Celestino L. Ang is a respected industry veteran, who is an expert on risks and risk management. His profile is available on the Company's website.</i> Reference: Company Website: "Our Team"

Recommendation 3.5			
1. Board establishes a Related Party Transactions (RPT) Committee, which is tasked with reviewing all material related party transactions of the company.	Compliant	Provide information or link/reference to a document containing information on the Related Party Transactions (RPT) Committee, including its functions.	<i>The functions of the RPT Committee are included on its Charter, which has been incorporated on the Corporate Governance Manual.</i> Reference: Corporate Governance Manual
2. RPT Committee is composed of at least three non-executive directors, two of whom should be independent, including the Chairman.	Compliant	Provide information or link/reference to a document containing information on the members of the RPT Committee, including their qualifications and type of directorship.	<i>The RPT Committee is composed of the following directors, to wit:</i> 1. Cesar C. Cruz (C) - Independent 2. William C. Whang- Independent 3. Benedicto T. Coyiuto - Non-Executive <i>The same is disclosed on the Annual Reports and on the Company's website.</i> Reference: (1) Company Website: "Our Team" (2) Annual Reports
Recommendation 3.6			
1. All established committees have a Committee Charter stating in plain terms their respective purposes, memberships, structures, operations, reporting process, resources and other relevant information.	Compliant	Provide information on or link/reference to the company's committee charters, containing all the required information, particularly the functions of the Committee that is necessary for performance evaluation purposes.	<i>All the Board Committees have their own charters, all of which were made reference and incorporated on the Corporate Governance Manual.</i> Reference: Corporate Governance Manual
2. Committee Charters provide standards for evaluating the performance of the Committees.	Compliant		<i>Each Charter provides an assessment procedure for the performance of each respective Board Committee.</i> Reference: Corporate Governance Manual
3. Committee Charters were fully disclosed on the company's website.	Compliant	Provide link to company's website where the Committee Charters are disclosed.	<i>All Charters are available on the Company's website.</i> Reference: Corporate Documents: "Committee Charters"

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 tele- /videoconferencing conducted in accordance with the rules and regulations of the Commission.	Compliant	Provide information or link/reference to a document containing information on the process and procedure for tele/videoconferencing board and/or committee meetings. Provide information or link/reference to a document containing information on the attendance and participation of directors to Board, Committee and shareholders' meetings.	<i>The Directors comply with the rules provided in PGAI's By-Laws, that is, attendance is required for all board and committee meetings, either physically or via videoconferencing. The same applies for all stockholders for the Stockholders' Meetings.</i> <i>Attendance for said meetings is disclosed on the Annual Reports.</i> Reference: Annual Reports
2. The directors review meeting materials for all Board and Committee meetings.	Compliant	Provide information or link/reference to a document containing information on the attendance and participation of directors to Board, Committee and shareholders' meetings.	<i>Meeting materials are sent to the directors at least three (3) days prior to the Meeting, as provided in the Corporate Governance Manual.</i> Reference: Corporate Governance Manual
3. The directors ask the necessary questions or seek clarifications and explanations during the Board and Committee meetings.	Compliant	Provide information or link/reference to a document containing information on any questions raised or clarification/explanation sought by the directors.	<i>A portion for Questions is allotted before a resolution is passed to approve a motion, and directors are encouraged to field questions. Further, a portion is also dedicated before the end of the Meeting for any other matter that any director wishes to raise.</i> Reference: Minutes (EXCERPT)

Recommendation 4.2			
1. Non-executive directors concurrently serve in a maximum of five publicly-listed companies to ensure that they have sufficient time to fully prepare for minutes, challenge Management's proposals/views, and oversee the long-term strategy of the company.	Compliant	Disclose if the company has a policy setting the limit of board seats that a non-executive director can hold simultaneously. Provide information or reference to a document containing information on the directorships of the company's directors in both listed and non-listed companies	<i>The Company has a policy on multiple board seats for non-executive directors.</i> Reference: Corporate Governance Manual
Recommendation 4.3			
1. The directors notify the company's board before accepting a directorship in another company.	Compliant	Provide copy of written notification to the board or minutes of board meeting wherein the matter was discussed.	<i>The Company requires directors to notify the Board before accepting a directorship in another company.</i> Reference: Corporate Governance Manual
Principle 5: The board should endeavor to exercise an objective and independent judgment on all corporate affairs.			
Recommendation 5.1			
1. The Board has at least 3 independent directors or such number as to constitute one-third of the board, whichever is higher.	Compliant	Provide information or link/reference to a document containing information on the number of independent directors in the board.	<i>PGAI currently has three (3) Independent Directors:</i> <i>a. Emmanuel C. Alcantara</i> <i>b. Cesar C. Cruz</i> <i>c. William C. Whang</i> Reference: (1) Company Website: "Our Team" (2) Annual Reports (3) General Information Sheet

Recommendation 5.2			
1. The independent directors possess all the qualifications and none of the disqualifications to hold the positions.	Compliant	Provide information or link/reference to a document containing information on the qualifications of the independent directors.	<i>One of the responsibilities of the Board is to ensure that the Independent Directors possess the necessary qualifications and none of the disqualifications.</i>
			<i>The qualifications of the Independent Directors are provided under the Corporate Governance Manual. The profile of each independent director is also available on the Company's website.</i>
Reference: (1) Company Website: "Our Team" (2) Annual Reports (3) Corporate Governance Manual			
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 the 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	Provide information or link/reference to a document showing the years IDs have served as such.	<i>The three (3) Independent Directors were appointed on:</i> <i>a. Emmanuel C. Alcantara - 2018</i> <i>b. Cesar C. Cruz - 2016</i> <i>d. William C. Whang - 2023</i>
			<i>Said information is disclosed on the Annual Reports and on the Company's website.</i>
Reference: (1) Company Website: "Our Team" (2) Annual Reports			

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2. The company bars an independent director from serving in such capacity after the term limit of nine years.	Compliant	Provide information or link/reference to a document containing information on the company's policy on term limits for its independent director.	<i>The Corporate Governance Manual provides for the term limit of nine (9) years for Independent Directors.</i> Reference: Corporate Governance Manual
3. In the instance that the company retains an independent director in the same capacity after nine years, the board provides meritorious justification and seeks shareholders' approval during the annual shareholders' meeting.	Compliant	Provide reference to the meritorious justification and proof of shareholders' approval during the annual shareholders' meeting.	<i>The Corporate Governance Manual provides that any term beyond nine (9) years for an Independent Director is subjected to particularly rigorous review.</i> <i>In the instance that the Company wants to retain an Independent Director who has served for nine (9) years, the Board shall provide meritorious justification/s and seek Shareholders' approval during the Annual Shareholders' Meeting.</i> <i>In addition, the Board must submit to the Insurance Commission a formal written justification and the Shareholders' approval.</i> Reference: Corporate Governance Manual
Recommendation 5.4			
1. The positions of Chairman of the Board and Chief Executive Officer are held by separate individuals.	Compliant	Identify the company's Chairman of the Board and Chief Executive Officer.	<i>PGAI's Chairman of the Board is Mr. Robert Coyiuto, Jr., while its President and Chief Executive Officer is Mr. Anthony G. Sy.</i> Reference: General Information Sheet
2. The Chairman of the Board and Chief Executive Officer have clearly defined responsibilities.	Compliant	Provide information or link/reference to a document containing information on the roles and responsibilities of the Chairman of the Board and Chief Executive Officer. Identify the relationship of Chairman and CEO.	<i>The roles and responsibilities of the Chairman and the Chief Executive Officer are outlined both on the Corporate Governance Manual and the Amended By-Laws.</i> Reference: (1) Corporate Governance Manual (2) Amended By-Laws

Recommendation 5.5			
1. If the Chairman of the Board is not an independent director, the board designates a lead director among the independent directors.	Compliant	Provide information or link/reference to a document containing information on a lead independent director and his roles and responsibilities, if any. Indicate if Chairman is independent.	<i>Since the Chairman of the Board is not an Independent Director, the Board has appointed Atty. Emmanuel C. Alcantara as the Lead Director among the Independent Directors.</i> Reference: Company's Website: "Our Team"
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	Provide proof of abstention, if this was the case.	<i>The Corporate Governance Manual provides that:</i> <i>"The Directors are required to conduct fair business transactions with the Company and ensure that personal interest does not bias Board decisions.</i> <i>To date, there was no transaction involving a material interest that in need of the Directors' abstention."</i> Reference: Corporate Governance Manual
Recommendation 5.7			
1. The non-executive directors (NEDs) have separate periodic meetings with the external auditor and heads of the internal audit, compliance and risk functions, without any executive directors present to ensure that proper checks and balances are in place within the corporation.	Compliant	Provide proof and details of said meeting, if any. Provide information on the frequency and attendees of meetings.	<i>The Meeting of the Non-Executive Directors and Independent Directors was held on 10 July 2023 via Google Meet. All NEDs and IDs were present.</i> Reference: Annual Reports
2. The meetings are chaired by the lead independent director.	Compliant		<i>The Meeting of the Non-Executive Directors and Independent Directors was chaired by Atty. Emmanuel C. Alcantara.</i> Reference: Annual Reports

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. Board conducts an annual self-assessment of its performance as a whole.	Compliant	Provide proof of self-assessments conducted for the whole board, the individual members, the Chairman and the Committees.	<i>The Board is guided by the Corporate Governance Manual in the conduct of a self-assessment for the whole Board, the Chairman, its Members, and each individual Committees.</i> <i>Though information contained in assessment of each individual member of the Board and of each board committee is internal, the Corporate Secretary issued a Certification attesting to the completion of said assessment in 2023.</i>
2. The performance of the Chairman is assessed annually by the Board.	Compliant		
3. The performance of the individual members of the Board is assessed annually by the Board.	Compliant		
4. The performance of each committee is assessed annually by the Board.	Compliant		
			Reference: (1) Corporate Governance Manual (2) Certification from the Corporate Secretary
5. Every three years, the assessments are supported by an external facilitator.	Non-Compliant	Identify the external facilitator and provide proof of use of an external facilitator.	<i>The Corporate Governance Manual now mandates that an external facilitator conduct the assessment every three (3) years. PGAI intends to engage an external facilitator the 2024 assessment.</i>
			Reference: Corporate Governance Manual

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	Provide information or link/reference to a document containing information on the system of the company to evaluate the performance of the board, individual directors and committees, including a feedback mechanism from shareholders.	<i>The Governance Committee Charter provides this as one of the responsibilities of the Governance Committee.</i>
			Reference: Governance Committee Charter
2. The system allows for a feedback mechanism from the shareholders.	Compliant		<i>A feedback mechanism is already in place, which is also for oversight of the Governance Committee.</i>
			Reference: Governance Committee Charter
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	Provide information on or link/reference to the company's Code of Business Conduct and Ethics.	<i>The Board has approved the most recent version of PGAI's Code of Business Conduct and Ethics on 01 September 2020.</i>
			Reference: Code of Business Conduct and Ethics
2. The Code is properly disseminated to the Board, senior management and employees.	Compliant	Provide information on or discuss how the company disseminated the Code to its Board, senior management and employees.	<i>The Code of Business Conduct and Ethics is available on the Company's website.</i>
			Reference: Code of Business Conduct and Ethics
3. The Code is disclosed and made available to the public through the company website.	Compliant	Provide a link to the company's website where the Code of Business Conduct and Ethics is posted/ disclosed.	<i>The Code of Business Conduct and Ethics is available on the Company's website.</i>
			Reference: Code of Business Conduct and Ethics

Recommendation 7.2			
1. Board ensures the proper and efficient implementation and monitoring of compliance with the Code of Business Conduct and Ethics.	Compliant	Provide proof of implementation and monitoring of compliance with the Code of Business Conduct and Ethics and internal policies.	<i>The Board has tasked the Human Resources Department to follow and monitor the adherence and conduct of employees under the set of implementing rules on the Code.</i> <i>The Human Resources Department shall be the center of monitoring activities and all employees' information and actions taken are coursed through the Department concerned.</i>
2. Board ensures the proper and efficient implementation and monitoring of compliance with company internal policies.	Compliant	Indicate who are required to comply with the Code of Business Conduct and Ethics and any findings on non-compliance.	Reference: Code of Business Conduct and Ethics
Disclosure and Transparency			
Principle 8: The company should establish corporate disclosure policies and procedures that are 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	Provide information on or link/reference to the company's disclosure policies and procedures including reports distributed/made available to shareholders and other stockholders	<i>The policy on disclosure and transparency is provided under the Corporate Governance Manual.</i>
			Reference: Corporate Governance Manual
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	Provide link or reference to the directors' academic qualifications, share ownership in the company, membership in other boards, other executive positions, professional experiences, expertise and relevant trainings attended.	<i>All the information pertaining to the director's profile is disclosed on the company's website and on the Annual Reports.</i>
			Reference: (1) Company Website: "Our Team" (2) Annual Reports

2. Board fully discloses all relevant and material information on key executives to evaluate their experience and qualifications, and assess any potential conflicts of interest that might affect their judgment.	Compliant	Provide link or reference to the key officers' academic qualifications, share ownership in the company, membership in other boards, other executive positions, professional experiences, expertise and relevant trainings attended.	<i>All the information pertaining to the director's profile is disclosed on the company's website and on the Annual Reports.</i> Reference: (1) Company Website: "Our Team" (2) Annual Reports
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 Annual Corporate Governance Report consistent with ASEAN Corporate Governance Scorecard (ACGS) and the Revised Corporation Code.	Compliant	Disclose or provide link/reference to the company policy and practice for setting board remuneration	<i>PGAI states on the description of the functions of the Governance Committee, which was formerly handled by the Compensation Committee, that:</i> <i>"The Company ensures that the remuneration package for Officers and Board of Directors is consistent with the Company's culture, strategy, and control environment. Remuneration is maintained at a level that is sufficient to attract and retain the Officers and Directors who are essential to the success of the Company."</i> Reference: Corporate Governance Manual
2. Company provides a clear disclosure of its policies and procedure for setting Executive remuneration, including the level and mix of the same in Annual Corporate Governance Report consistent with ASEAN Corporate Governance Scorecard (ACGS) and the Revised Corporation Code.	Compliant	Disclose or provide link/reference to the company policy and practice for determining executive remuneration	<i>PGAI states on its General Remuneration and Employee Appraisal Policy that:</i> <i>"The Company ensures that the remuneration package for Officers and Board of Directors is consistent with the Company's culture, strategy, and control environment. Remuneration is maintained at a level that is sufficient to attract and retain the Officers and Directors who are essential to the success of the Company."</i> Reference: General Remuneration and Employee Appraisal Policy

3. Company discloses the remuneration on an individual basis, including termination and retirement provisions.	Non-Compliant	Provide breakdown of director remuneration and executive compensation, particularly the remuneration of the CEO.	By virtue of the Data Privacy Act of 2012, PGAI does not disclose individual remuneration of directors and that of executives, including the CEO. Nevertheless, PGAI discloses on aggregate the total compensation given to directors per year on its Annual Report and on its Financial Statements. Reference: Annual Reports
Recommendation 8.5			
1. Company discloses its policies governing Related Party Transactions (RPTs) and other unusual or infrequently occurring transactions.	Compliant	Disclose or provide reference/link to company's RPT policies Indicate if the director with conflict of interest abstained from the board discussion on that particular transaction.	The RPT Policy of PGAI is available on its website. Reference: RPT Policy
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	Provide information on all RPTs for the previous year or reference to a document containing the following information on all RPTs: 1. name of the related counterparty; 2. relationship with the party; 3. transaction date; 4. type/nature of transaction; 5. amount or contract price; 6. terms of the transaction; 7. rationale for entering into the transaction; 8. the required approval (i.e., names of the board of directors approving, names and percentage of shareholders who approved) based on the company's policy; and 9. other terms and conditions	The Company discloses these RPTs on its Audited Financial Statements. Reference: Annual Reports

Recommendation 8.7			
1. Company's corporate governance policies, programs and procedures are contained in its Manual on Corporate Governance (MCG).	Compliant	Provide link to the company's website where the Manual on Corporate Governance is posted.	<i>The Corporate Governance Manual of PGAI is available on its website.</i>
			Reference: Corporate Governance Manual
2. Company's MCG is posted on its company website.	Compliant		<i>The Corporate Governance Manual of PGAI is available on its website.</i>
			Reference: Corporate Governance Manual
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	Provide information or link/reference to a document containing information on the process for approving and recommending the appointment, reappointment, removal and fees of the company's external auditor.	<i>The process of approving and recommending the appointment, reappointment, removal and fees of the company's external auditor is included on the Audit Committee Charter.</i>
			Reference: Audit Committee Charter
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	Indicate the percentage of shareholders that ratified the appointment, reappointment, removal and fees of the external auditor.	<i>For the replacement of SGV and Co. to San Buenaventura and Co., CPAs for Calendar Year 2022, 100% of the shareholders approved the appointment during the Special Stockholders' Meeting.</i>
			Reference: Minutes (Special Stockholders' Meeting - 2023)
3. For removal of the external auditor, the reasons for removal or change are disclosed to the regulators and the public through the company website and required disclosures.	Compliant	Provide information on or link/reference to a document containing the company's reason for removal or change of external auditor.	<i>The Company has prepared its Notice to the regulators and the public for the replacement of SGV and Co. to San Buenaventura and Co., CPAs, which was approved by the stockholders fairly recently. A copy of said notices will be provided once they have been duly filed and received by the regulator.</i>
			Reference: Minutes (Special Stockholders' Meeting - 2023)

Recommendation 9.2			
1. Audit Committee Charter includes the Audit Committee's responsibility on: i. assessing the integrity and independence of external auditors; ii. exercising effective oversight to review and monitor the external auditor's independence and objectivity; and iii. exercising effective oversight to review and monitor the effectiveness of the audit process, taking into consideration relevant Philippine professional and regulatory requirements.	Compliant	Provide link/reference to the company's Audit Committee Charter.	<i>This is included in the Audit Committee Charter.</i> Reference: Audit Committee Charter
2. Audit Committee Charter contains the Committee's responsibility on reviewing and monitoring the external auditor's suitability and effectiveness on an annual basis.	Compliant	Provide link/reference to the company's Audit Committee Charter.	<i>This is included in the Audit Committee Charter.</i> Reference: Audit Committee Charter
Recommendation 9.3			
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.	Compliant	Disclose the nature of non-audit services performed by the external auditor, if any.	<i>There were no non-audit services performed by San Buenaventura and Co., CPAs in 2023.</i> Reference: Audit Committee Charter

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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	Provide link or reference to guidelines or policies on non-audit services.	<i>This is included in the Audit Committee Charter.</i> Reference: Audit Committee Charter
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	Disclose or provide link on the company's policies and practices on the disclosure of non-financial information, including EESG issues.	<i>The Board has adopted an EESG Policy, which was approved on 01 September 2020.</i> Reference: EESG Policy
2. Company adopts a globally recognized standard/framework in reporting sustainability and non-financial issues.	Non-Compliant	Provide link to Sustainability Report, if any. Disclose the standards used.	<i>The Company currently has not produced a Sustainability Report, but intends to look into complying with this requirement in 3-5 years.</i>
Principle 11: The company should maintain a comprehensive and cost-efficient communication channel for disseminating relevant information. This channel is crucial for informed decision-making by investors, stakeholders and other interested users.			
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	Disclose and identify the communication channels used by the company (i.e., website, Analyst's briefing, Media briefings /press conferences, Quarterly reporting, Current reporting, etc.). Provide links, if any.	<i>The Company publishes most of its materials through its website, its social media accounts, and through print.</i> Reference: Company Website

Internal Control System and Risk Management Framework

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.

Recommendation 12.1

1. Company has an adequate and effective internal control system in the conduct of its business.	Compliant	List quality service programs for the internal audit functions. Indicate frequency of review of the internal control system	<i>The Internal Audit function regularly performs audit engagements to test the Company's internal control system nationwide. In fact, for branches, each risk area (e.g., claims, policy issuance, cash management, etc.) is assessed to ensure that internal controls are in place. Branch audit is conducted yearly.</i> Reference: Internal Audit Charter
2. Company has an adequate and effective enterprise risk management framework in the conduct of its business.	Compliant	Identify international framework used for Enterprise Risk Management. Provide information or reference to a document containing information on: 1. Company's risk management procedures and processes 2. Key risks the company is currently facing 3. How the company manages the key risks Indicate frequency of review of the enterprise risk management framework.	<i>The Company has an adequate and effective enterprise risk management framework in the conduct of its business. The duties and responsibilities of the Risk Management and Oversight Committee with regard to ERM are included in its Charter.</i> Reference: Risk Management and Oversight Committee Charter

Recommendation 12.2			
1. Company has in place an independent internal audit function that provides an independent and objective assurance, and consulting services designed to add value and improve the company's operations.	Compliant	Disclose if the internal audit is in-house or outsourced. If outsourced, identify external firm.	<i>The Company has an organic and in-house Internal Audit Department.</i>
			Reference: Internal Audit Charter
Recommendation 12.3			
1. Company has a qualified Chief Audit Executive (CAE) appointed by the Board.	Compliant	Identify the company's Chief Audit Executive (CAE) and provide information on or reference to a document containing his/her responsibilities.	<i>PGAI's Chief Audit Executive, Mr. Bryan T. Berroya, has a rank of Assistant Manager. His profile is included on the Company's website.</i>
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		<i>His duties and responsibilities as CAE are included on the Internal Audit Charter.</i>
			Reference: Internal Audit Charter / Company's Website
3. In case of a fully outsourced internal audit activity, a qualified independent executive or senior management personnel is assigned the responsibility for managing the fully outsourced internal audit activity.	N.A.	Identify qualified independent executive or senior management personnel, if applicable.	<i>This is not applicable as the Company has an in-house internal audit function.</i>
			Reference: Internal Audit Charter
Recommendation 12.4			
1. Company has a separate risk management function to identify, assess and monitor key risk exposures.	Compliant	Provide information on company's risk management function.	<i>The Company has a Risk Management Office, under the Office of the President (administratively), but functionally reporting to the Risk Management and Oversight Committee.</i>
			Reference: Organizational Structure

Recommendation 12.5			
1. In managing the company's Risk Management System, the company has a Chief Risk Officer (CRO), who is the ultimate champion of Enterprise Risk Management (ERM).	Compliant	Identify the company's Chief Risk Officer (CRO) and provide information on or reference to a document containing his/her responsibilities and qualifications/background.	PGAI's Chief Risk Officer is Mr. Marc Simon C. Ocampo-Tan, with a rank of Vice-President. Reference: Risk Management and Oversight Committee Charter
2. CRO has adequate authority, stature, resources and support to fulfill his/her responsibilities.	Compliant		PGAI's Chief Risk Officer is Mr. Marc Simon C. Ocampo-Tan, with a rank of Vice-President. Reference: Risk Management and Oversight Committee Charter
Cultivating a Synergic Relationship with Shareholders			
Principle 13: The company should treat all shareholders fairly and equitably, and also recognize, protect and facilitate the exercise of their rights.			
Recommendation 13.1			
1. Board ensures that basic shareholder rights are disclosed in the Manual on Corporate Governance.	Compliant	Provide link or reference to the company's Manual on Corporate Governance where shareholders' rights are disclosed.	Shareholders' rights are enumerated on the Corporate Governance Manual. Reference: Corporate Governance Manual
2. Board ensures that basic shareholder rights are disclosed on the company's website.	Compliant	Provide link to company's website	The Corporate Governance Manual is uploaded on the Company website. Reference: Company 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 28 days before the meeting.	Compliant	Indicate the number of days before the annual stockholders' meeting or special stockholders' meeting when the notice and agenda were sent out	PGAI practices a 30-day notice for stockholders' meetings. No changes for remuneration were included in the 2023 ASM and SSM.
		Indicate whether shareholders' approval of remuneration or any changes therein were included in the agenda of the meeting.	
		Provide link to the Agenda included in the company's Information Statement	Reference: Notice and Agenda for 2023 ASM / SSM
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.	Compliant	Provide information or reference to a document containing information on all relevant questions raised and answers during the ASM and special meeting and the results of the vote taken during the most recent ASM/SSM.	All questions, and results of votes per resolution, are included on the Minutes of the Meeting.
			Reference: Minutes for 2023 ASM / SSM
2. Minutes of the Annual and Special Shareholders' Meetings were available on the company website within five business days from the end of the meeting.	Compliant	Provide link to minutes of meeting in the company website.	All Minutes of the ASM / SSM are uploaded on the website within five (5) business days from date of meeting. Voting procedures and results are also disclosed.
		Indicate voting results for all agenda items, including the approving, dissenting and abstaining votes.	
		Indicate also if the voting on resolutions was by poll.	
		Include whether there was opportunity to ask question and the answers given, if any.	Reference: Minutes for 2023 ASM / SSM

Recommendation 13.4			
1. Board makes available, at the option of a shareholder, an alternative dispute mechanism to resolve intra-corporate disputes in an amicable and effective manner.	Compliant	Provide details of the alternative dispute resolution made available to resolve intra-corporate disputes	<i>The Company has an alternative dispute mechanism in place to resolve intra-corporate disputes in an amicable and effective manner disclosed on its Corporate Governance Manual.</i> Reference: Corporate Governance Manual
2. The alternative dispute mechanism is included in the company's Manual on Corporate Governance.	Compliant	Provide link/reference to where it is found in the Manual on Corporate Governance	<i>The Company has an alternative dispute mechanism in place to resolve intra-corporate disputes in an amicable and effective manner disclosed on its Corporate Governance Manual.</i> Reference: Corporate Governance Manual
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 identifies the company's various stakeholders and promotes cooperation between them and the company in creating wealth, growth and sustainability.	Compliant	Identify the company's shareholder and provide information or reference to a document containing information on the company's policies and programs for its stakeholders.	<i>The Corporate Governance Manual provides this pertinent information.</i> Reference: Corporate Governance Manual

Recommendation 14.2			
1. Board establishes clear policies and programs to provide a mechanism on the fair treatment and protection of stakeholders.	Compliant	Identify policies and programs for the protection and fair treatment of company's stakeholders	<i>The Company has an Anti-Fraud Plan and a Proactive Information Policy to ensure protection and faire treatment of stakeholders.</i> Reference: Proactive Information Policy / Anti-Fraud Plan
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	Provide the contact details (i.e., name of contact person, dedicated phone number or e-mail address, etc.) which stakeholders can use to voice their concerns and/or complaints for possible violation of their rights. Provide information on whistleblowing policy, practices and procedures for stakeholders.	<i>The Special Action Unit of the Corporation is currently with the Internal Audit Department, as defined in its Anti-Fraud Plan:</i> <i>Name: Bryan T. Berroya</i> <i>Contact Number: (02) 8807-1533</i> <i>E-mail Address: antifraud@prudentialguarantee.com</i> Reference: Proactive Information Policy / Anti-Fraud Plan
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	Provide information on or link/reference to company policies, programs and procedures that encourage employee participation.	<i>The Employee Code of Conduct / Proactive Information Policy / Anti-Fraud Plan addresses this requirement.</i> Reference: Employee Code of Conduct / Proactive Information Policy / Anti-Fraud Plan
Recommendation 15.2			

COMPANY NAME: PRUDENTIAL GUARANTEE AND ASSURANCE, INC. (PGA)

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	Identify or provide link/reference to the company's policies, programs and practices on anti-corruption	<i>The Employee Code of Conduct / Proactive Information Policy / Anti-Fraud Plan addresses this requirement.</i> Reference: <u>Employee Code of Conduct / Proactive Information Policy / Anti-Fraud Plan</u>
2. Board disseminates the policy and program to employees across the organization through trainings to embed them in the company's culture.	Compliant	Identify how the board disseminated the policy and program to employees across the organization	<i>Said policies are available on the Company's website.</i> Reference: <u>Employee Code of Conduct / Proactive Information Policy / Anti-Fraud Plan</u>
Recommendation 15.3			
1. Board establishes a suitable framework for whistleblowing that allows employees to freely communicate their concerns about illegal or unethical practices, without fear of retaliation	Compliant	Disclose or provide link/reference to the company whistle-blowing policy and procedure for employees. Indicate if the framework includes procedures to protect the employees from retaliation. Provide contact details to report any illegal or unethical behavior.	<i>The Employee Code of Conduct / Proactive Information Policy / Anti-Fraud Plan addresses this requirement.</i> <i>The Special Action Unit of the Corporation is currently with the Internal Audit Department, as defined in its Anti-Fraud Plan:</i> <i>Name: Bryan T. Berroya</i> <i>Contact Number: (02) 8807-1533</i> <i>E-mail Address: antifraud@prudentialguarantee.com</i> Reference: <u>Employee Code of Conduct / Proactive Information Policy / Anti-Fraud Plan</u>
2. Board establishes a suitable framework for whistleblowing that allows employees to have direct access to an independent member of the Board or a unit created to handle whistleblowing concerns.	Compliant		<i>The Employee Code of Conduct / Proactive Information Policy / Anti-Fraud Plan addresses this requirement.</i> Reference: <u>Employee Code of Conduct / Proactive Information Policy / Anti-Fraud Plan</u>

3. Board supervises and ensures the enforcement of the whistleblowing framework.	Compliant	Provide information on how the board supervised and ensured enforcement of the whistleblowing framework, including any incident of whistleblowing.	<i>The Employee Code of Conduct / Proactive Information Policy / Anti-Fraud Plan addresses this requirement.</i> Reference: Employee Code of Conduct / Proactive Information Policy / Anti-Fraud Plan
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 a 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 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.	Compliant	Provide information or reference to a document containing information on the company's community involvement and environment-related programs.	<i>The CSR programs of the Company are disclosed on its Annual Reports.</i> Reference: Annual Reports