



09 June 2022

ATTY. ALBERT LAWRENCE A. VINZON
Manager, Anti-Money Laundering and Corporate Governance Division
Insurance Commission
1071 United Nations Avenue, Ermita Manila



Subject: Submission of the 2021 Annual Corporate Governance Report

Dear Atty. Vinzon:

In compliance with the Insurance Commission's Circular Letter No. 2020-72, PGA Sampo Insurance Corporation hereby submits its fully accomplished and certified under oath Annual Corporate Governance Report.

We hope that you find everything in order. Thank you for your continuous help and support.

Very truly yours,


MARCOS C. DELIN
Asst. Vice-President/Compliance Officer

ANNUAL CORPORATE GOVERNANCE REPORT

PGA Sampo Insurance Corporation

(Name of Company)

1. For the fiscal year ended: **2021**
2. Certificate Authority Number: **2022/37-R**
3. **Philippines**
Province, Country or other jurisdiction of incorporation or organization
4. **5th Floor Corinthian Plaza, 121 Paseo de Roxas**
Legaspi Village, Makati City 1229 Philippines
Address of principal office **1229**
Postal Code
5. **(02) 8811-3417**
Company's telephone number, including area code
6. **https://www.pgasompo.com.ph**
Company's official website
7. **Not Applicable**
Former name, former address, and former fiscal year, if changed since last report

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:	
2. Board has an appropriate mix of competence and expertise.	Compliant	<ol style="list-style-type: none"> Academic qualifications, industry knowledge, professional experience, expertise and relevant trainings of directors Qualification standards for directors to facilitate the selection of potential nominees and to serve as benchmark for the evaluation of its performance 	
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	<p><i>The academic qualifications, industry knowledge, professional experience, expertise, and relevant trainings of Directors are provided in pages 26 to 38 of the 2021 Annual Report (the "Annual Report").</i></p> <p>https://www.pgasompo.com.ph/files/live/sites/sompo-ph/files/About-Us/2021%20CORPORATE%20GOVERNANCE/2021%20PGA%20SOMPO%20-%20ANNUAL%20REPORT.pdf</p> <p><i>To remain qualified for their positions individually and collectively, PGA Sompo Insurance Corporation (the "Company") has established qualification standards for Directors. Please refer to item 4.2.2 page 13 of the Manual on Corporate Governance ("MCG").</i></p> <p>https://www.pgasompo.com.ph/files/live/sites/sompo-ph/files/About-Us/2021%20CORPORATE%20GOVERNANCE/PGA%20SOMP O Manual%20on%20Corporate%20Governance.pdf</p>	

Recommendation 1.2			
<p>1. Board is composed of a majority of non-executive directors.</p>	<p>Non-Compliant</p>	<p>Identify or provide link/reference to a document identifying the directors and the type of their directorships.</p>	<p><i>Although the Board is not composed of a majority of non-executive directors, the Board assures protection of the Company's interest over the interest of the individual shareholders.</i></p> <p><i>Please see pages 26 to 38 of the Annual Report.</i></p> <p>https://www.pgasompo.com.ph/files/live/sites/sompo-ph/files/About-Us/2021%20CORPORATE%20GOVERNANCE/2021%20PGA%20SOMPO%20-%20ANNUAL%20REPORT.pdf</p>
Recommendation 1.3			
<p>1. Company provides in its Board Charter or Manual on Corporate Governance a policy on training of directors.</p>	<p>Compliant</p>	<p>Provide link or reference to the company's Board Charter or Manual on Corporate Governance relating to its policy on training of directors.</p> <p><i>The MCG provides that the Company shall provide trainings for all its Directors, including an orientation program for first-time Directors and relevant annual continuing training for all Directors.</i></p> <p><i>Please see item 9 in pages 31 to 32 of the MCG.</i></p> <p>https://www.pgasompo.com.ph/files/live/sites/sompo-ph/files/About-Us/2021%20CORPORATE%20GOVERNANCE/PGA%20SOMPO_Manual%20on%20Corporate%20Governance.pdf</p>	

2. Company has an orientation program for first time 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.	
3. Company has relevant annual continuing training for all directors.	Compliant	<p><i>PGA SOMPO has an orientation program for all Directors upon joining the Board of Directors (the "Board").</i></p> <p><i>Moreover, all directors and key officers are required to attend an annual continuing training program.</i></p> <p><i>Please see item 9 in pages 31 to 32 of the MCG.</i></p> <p>https://www.pgasompo.com.ph/files/live/sites/sompo-ph/files/About-Us/2021%20CORPORATE%20GOVERNANCE/PGA%20SOMP O_Manual%20on%20Corporate%20Governance.pdf</p> <p><i>On July 19, 2021, and October 27, 2021, the Company has organized webinars on Corporate Governance Updates and Economic Briefing and Digital Transformation Risk Management, respectively. The same were attended by the Company's Key Officers and Board of Directors.</i></p> <p>https://www.pgasompo.com.ph/files/live/sites/sompo-ph/files/About-Us/2021%20CORPORATE%20GOVERNANCE/Certification_Corporate%20Governance%20Updates%20and%20Economic%20Briefing.pdf</p> <p>https://www.pgasompo.com.ph/files/live/sites/sompo-ph/files/About-Us/2021%20CORPORATE%20GOVERNANCE/Certification_Digital%20Transformation%20Risk%20Management.pdf</p>	

Recommendation 1.4			
1. Board has a policy on board diversity.	Compliant	<p>Provide information on or link/reference to a document containing information on the company's board diversity policy.</p> <p>Indicate gender composition of the board.</p> <p><i>The Company recognizes the benefits of having a diverse Board in terms of age, ethnicity, culture, skills, competence, and knowledge of its members to contribute to the effectiveness of the performance of the Board and to ensure that optimal decision-making is achieved.</i></p> <p><i>Please see item 4.4 in pages 16 to 17 of the MCG for the Board Diversity Policy.</i></p> <p>https://www.pgasompo.com.ph/files/live/sites/sompo-ph/files/About-Us/2021%20CORPORATE%20GOVERNANCE/PGA%20SOMPO_Manual%20on%20Corporate%20Governance.pdf</p> <p><i>Currently, the Board is composed of fourteen (14) members consisting of twelve (12) male directors and two (2) female directors.</i></p> <p><i>Please see pages 26 to 38 of the Annual Report.</i></p> <p>https://www.pgasompo.com.ph/files/live/sites/sompo-ph/files/About-Us/2021%20CORPORATE%20GOVERNANCE/2021%20PGA%20SOMPO%20-%20ANNUAL%20REPORT.pdf</p>	
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.	
2. Corporate Secretary is a separate individual from the Compliance Officer.	Compliant		
3. Corporate Secretary is not a member of the Board of Directors.	Compliant		

		<p><i>The Company's Corporate Secretary is Atty. Cristine Cuisia-Remollo. She is not the Compliance Officer and is not a member of the Board.</i></p> <p><i>Please see page 56 of the Annual Report.</i></p> <p>https://www.pgasompo.com.ph/files/live/sites/sompo-ph/files/About-Us/2021%20CORPORATE%20GOVERNANCE/2021%20PGA%20SOMPO%20-%20ANNUAL%20REPORT.pdf</p> <p><i>Please see item 4.1.8 in page 12 of the MCG for the qualifications, duties, and functions.</i></p> <p>https://www.pgasompo.com.ph/files/live/sites/sompo-ph/files/About-Us/2021%20CORPORATE%20GOVERNANCE/PGA%20SOMPO_Manual%20on%20Corporate%20Governance.pdf</p>	
<p>4. Corporate Secretary attends training/s on corporate governance.</p>	<p>Compliant</p>	<p>Provide information or link/reference to a document containing information on the corporate governance training attended, including number of hours and topics covered</p> <p><i>The Company's Corporate Secretary is required to attend training/s on corporate governance.</i></p> <p><i>Please see item 4.1.8 in page 12 of the MCG for the qualifications, duties, and functions.</i></p> <p>https://www.pgasompo.com.ph/files/live/sites/sompo-ph/files/About-Us/2021%20CORPORATE%20GOVERNANCE/PGA%20SOMPO_Manual%20on%20Corporate%20Governance.pdf</p> <p><i>On July 19, 2021 and October 27, 2021, the Corporate Secretary has attended the webinars on Corporate Governance Updates and Economic Briefing and Digital Transformation Risk Management.</i></p>	

		<p>https://www.pgasompo.com.ph/files/live/sites/sompo-ph/files/About-Us/2021%20CORPORATE%20GOVERNANCE/Certification_Corporate%20Governance%20Updates%20and%20Economic%20Briefing.pdf</p> <p>https://www.pgasompo.com.ph/files/live/sites/sompo-ph/files/About-Us/2021%20CORPORATE%20GOVERNANCE/Certification_Digital%20Transformation%20Risk%20Management.pdf</p>	
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.	
2. Compliance Officer has a rank of Vice President or an equivalent position with adequate stature and authority in the corporation.	Compliant		
3. Compliance Officer is not a member of the board.	Compliant	<p><i>The Company's Compliance Officer is Mr. Marcos C. Delin who has a rank of Assistant Vice-President. He is not a member of the Board.</i></p> <p><i>Please see page 56 of the Annual Report.</i></p> <p>https://www.pgasompo.com.ph/files/live/sites/sompo-ph/files/About-Us/2021%20CORPORATE%20GOVERNANCE/2021%20PGA%20SOMPO%20-%20ANNUAL%20REPORT.pdf</p> <p><i>Please see item 3.1 in pages 4 and 5 of the MCG for the qualifications, duties, and functions.</i></p> <p>https://www.pgasompo.com.ph/files/live/sites/sompo-ph/files/About-Us/2021%20CORPORATE%20GOVERNANCE/PGA%20SOMPO_Manual%20on%20Corporate%20Governance.pdf</p>	

<p>4. Compliance Officer attends training/s on corporate governance annually.</p>	<p>Compliant</p>	<p>Provide information on or link/reference to a document containing information on the corporate governance training attended, including number of hours and topics covered</p> <p><i>The Company's Compliance Officer is likewise required to attend training/s on corporate governance.</i></p> <p><i>Please see item 3.1 in pages 4 and 5 of the MCG for the qualifications, duties, and functions.</i></p> <p>https://www.pgasompo.com.ph/files/live/sites/sompo-ph/files/About-Us/2021%20CORPORATE%20GOVERNANCE/PGA%20SOMP O Manual%20on%20Corporate%20Governance.pdf</p> <p><i>On July 19, 2021 and October 27, 2021, the Compliance Officer has attended the webinars on Corporate Governance Updates and Economic Briefing and Digital Transformation Risk Management.</i></p> <p>https://www.pgasompo.com.ph/files/live/sites/sompo-ph/files/About-Us/2021%20CORPORATE%20GOVERNANCE/Certification_Corporate%20Governance%20Updates%20and%20Economic%20Briefing.pdf</p> <p>https://www.pgasompo.com.ph/files/live/sites/sompo-ph/files/About-Us/2021%20CORPORATE%20GOVERNANCE/Certification_Digital%20Transformation%20Risk%20Management.pdf</p>	
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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

<p>1. Directors act on a fully informed basis, in good faith, with due diligence and care, and in the best interest of the company.</p>	<p>Compliant</p>	<p>Provide information or reference to a document containing information on how the directors performed their duties (can include board resolutions, minutes of meeting).</p>	
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		<p>Please see item 4.1.3.1 in page 8 of the MCG. This is one of the duties and functions of the members of the Board.</p> <p>https://www.pgasompo.com.ph/files/live/sites/sompo-ph/files/About-Us/2021%20CORPORATE%20GOVERNANCE/PGA%20SOMPO Manual%20on%20Corporate%20Governance.pdf</p> <p>The Company's Directors actively participate in the realization of the Company's goals.</p> <p>Please see page 39 of the Annual Report for the Board Meetings attendance record.</p> <p>https://www.pgasompo.com.ph/files/live/sites/sompo-ph/files/About-Us/2021%20CORPORATE%20GOVERNANCE/2021%20PGA%20SOMPO%20-%20ANNUAL%20REPORT.pdf</p>	
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).	
2. Board oversees and monitors implementation of the company's business objectives and strategy in order to sustain the company's long-term viability and strength	Compliant	<p>Indicate frequency of review of business objectives and strategy.</p> <p>Please see pages 6 to 8 of the MCG for the duties and functions of the Board.</p> <p>https://www.pgasompo.com.ph/files/live/sites/sompo-ph/files/About-Us/2021%20CORPORATE%20GOVERNANCE/PGA%20SOMPO Manual%20on%20Corporate%20Governance.pdf</p> <p>The Board held sixteen (16) meetings in 2021 including the Annual Stockholders' and Organizational Meeting.</p>	

		<p><i>Please see page 39 of the Annual Report.</i></p> <p>https://www.pgasompo.com.ph/files/live/sites/sompo-ph/files/About-Us/2021%20CORPORATE%20GOVERNANCE/2021%20PGA%20SOMPO%20-%20ANNUAL%20REPORT.pdf</p> <p><i>Also, the Company has an Annual Strategic Planning Session wherein the Company's business objectives and strategy are discussed and approved.</i></p> <p><i>Please see page 87 of the Annual Report.</i></p> <p>https://www.pgasompo.com.ph/files/live/sites/sompo-ph/files/About-Us/2021%20CORPORATE%20GOVERNANCE/2021%20PGA%20SOMPO%20-%20ANNUAL%20REPORT.pdf</p>	
Recommendation 2.3			
<p>1. Board is headed by a competent and qualified Chairperson.</p>	<p>Compliant</p>	<p>Provide information or reference to a document containing information on the Chairperson, including his/her name and qualifications.</p> <p><i>The Board is headed by Mr. Robert Coyiuto, Jr.</i></p> <p><i>Please refer to page 26 of the Annual Report for the qualification.</i></p> <p>https://www.pgasompo.com.ph/files/live/sites/sompo-ph/files/About-Us/2021%20CORPORATE%20GOVERNANCE/2021%20PGA%20SOMPO%20-%20ANNUAL%20REPORT.pdf</p>	
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.	
2. Board adopts a policy on the retirement for directors and key officers.	Compliant	<p><i>This is one of the duties and responsibilities of the Board. Please see item 4.1.2.13 in pages 6 to 7 of the MCG.</i></p> <p>https://www.pgasompo.com.ph/files/live/sites/sompo-ph/files/About-Us/2021%20CORPORATE%20GOVERNANCE/PGA%20SOMPO_Manual%20on%20Corporate%20Governance.pdf</p> <p><i>Also, the Company's Employees' Handbook provides for the guidelines on retirement.</i></p> <p><i>Please see excerpts of the Employees' Handbook on retirement.</i></p> <p>https://www.pgasompo.com.ph/files/live/sites/sompo-ph/files/About-Us/2021%20CORPORATE%20GOVERNANCE/Excerpt%20from%20Employee%20Handbook.pdf</p>	
Recommendation 2.5			
1. Board formulates and adopts a policy specifying the relationship between remuneration and performance of key officers and board members.	Compliant	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.	
2. Board aligns the remuneration of key officers and board members with long-term interests of the company.	Compliant	<i>The Corporate Governance Committee ensures that the remuneration package of Officers and 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>	
3. Directors do not participate in discussions or deliberations involving his/her own remuneration.	Compliant		

		<p>Please see page 2 of the Corporate Governance Committee Charter.</p> <p>https://www.pgasompo.com.ph/files/live/sites/sompo-ph/files/About-Us/2021%20CORPORATE%20GOVERNANCE/PGA%20SOMPO_Manual%20on%20Corporate%20Governance.pdf</p>	
Recommendation 2.6			
1. Board has a formal and transparent board nomination and election policy.	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.	
1. Board nomination and election policy is disclosed in the company's Manual on Corporate Governance.	Compliant	Provide proof if minority shareholders have a right to nominate candidates to the board	
2. Board nomination and election policy includes how the company accepted nominations from minority shareholders.	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.	
3. Board nomination and election policy includes how the board shortlists candidates.	Compliant	<i>The process of nomination and election of the members of the Board is provided in page 13 of the MCG.</i>	
4. 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>Accordingly, any shareholder, including minority shareholders, shall have the right to nominate candidates to the Board which shall be submitted to the Corporate Governance Committee through the Office of the Corporate Secretary within sixty (60) days prior to the Annual Stockholders' Meeting. The Corporate Governance Committee shall review all the nomination for shortlisting which shall be aligned with the strategic direction of the Company.</i>	
5. Board has a process for identifying the quality of directors that is aligned with the strategic direction of the company.	Compliant	<i>Moreover, the MCG provides for the considerations in shortlisting of the candidates.</i>	

		<p>Finally, it also provides for the qualifications and grounds for disqualification.</p> <p>https://www.pgasompo.com.ph/files/live/sites/sompo-ph/files/About-Us/2021%20CORPORATE%20GOVERNANCE/PGA%20SOMPO_Manual%20on%20Corporate%20Governance.pdf</p>	
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.	
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.	
3. RPT policy encompasses all entities within the group, taking into account their size, structure, risk profile and complexity of operations.	Compliant	<p><i>The MCG provides that the Board shall ensure that there is a group-wide policy and system governing Related Party Transactions (RPTs) and other unusual or infrequently occurring transactions, particularly those which pass certain thresholds of materiality.</i></p> <p><i>Moreover, the Board has established the Related Party Transaction Committee which is tasked with reviewing all material related party transactions of the Company.</i></p> <p><i>Please see item 4.1.2.15 in page 7 of the MCG.</i></p> <p>https://www.pgasompo.com.ph/files/live/sites/sompo-ph/files/About-Us/2021%20CORPORATE%20GOVERNANCE/PGA%20SOMPO_Manual%20on%20Corporate%20Governance.pdf</p> <p><i>Please see page 53 to 54 of the 2021 Audited Financial Statements for the Related Party Transactions.</i></p>	

		https://www.pgasompo.com.ph/files/live/sites/sompo-ph/files/About-Us/2021%20CORPORATE%20GOVERNANCE/PGA%20SOMPO_2021%20Audited%20Financial%20Statements.pdf	
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	<p>Provide information on or reference to a document containing the Board's policy and responsibility for approving the selection of management.</p> <p><i>Please see item 4.1.2.16. in page 7 of the MCG.</i></p> <p>https://www.pgasompo.com.ph/files/live/sites/sompo-ph/files/About-Us/2021%20CORPORATE%20GOVERNANCE/PGA%20SOMPO_Manual%20on%20Corporate%20Governance.pdf</p> <p>Identify the Management team appointed.</p> <p><i>Please refer to page 58 to 60 of the Annual Report.</i></p> <p>https://www.pgasompo.com.ph/files/live/sites/sompo-ph/files/About-Us/2021%20CORPORATE%20GOVERNANCE/2021%20PGA%20SOMPO%20-%20ANNUAL%20REPORT.pdf</p>	
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	<p>Provide information on or reference to a document containing the Board's policy and responsibility for assessing the performance of management.</p> <p>Provide information on the assessment process and indicate frequency of assessment of performance.</p> <p><i>This is part of the duties and functions of the Board. Please see page 7 of the MCG.</i></p>	

		<p>https://www.pgasompo.com.ph/files/live/sites/sompo-ph/files/About-Us/2021%20CORPORATE%20GOVERNANCE/PGA%20SOMPO_Manual%20on%20Corporate%20Governance.pdf</p> <p><i>The Management Team is provided under page 58 to 60 of the Annual Report.</i></p> <p>https://www.pgasompo.com.ph/files/live/sites/sompo-ph/files/About-Us/2021%20CORPORATE%20GOVERNANCE/2021%20PGA%20SOMPO%20-%20ANNUAL%20REPORT.pdf</p>	
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	<p>Provide information on or link/reference to a document containing the Board's performance management framework for management and personnel.</p> <p><i>The Company has a Performance Management and Appraisal System focuses both on tangible results and competencies.</i></p> <p><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></p> <p><i>Please see excerpt from the Company's Handbook, page 37.</i></p> <p>https://www.pgasompo.com.ph/files/live/sites/sompo-ph/files/About-Us/Corporate%20Governance/2019/2019%20PGAS/PGA-SOMPO_Employee-Handbook-Redacted.pdf</p>	
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		
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.	
2. The internal control system includes a mechanism for monitoring and managing potential conflict of interest of the Management, members and shareholders.	Compliant	<p><i>The MCG provides that the Board of Directors shall oversee that an appropriate internal control system is in place, including setting up a mechanism for monitoring and managing potential conflicts of interest of Management, Board Members, and Shareholders.</i></p> <p><i>Please see pages 23 to 24 of the MCG.</i></p> <p>https://www.pgasompo.com.ph/files/live/sites/sompo-ph/files/About-Us/2021%20CORPORATE%20GOVERNANCE/PGA%20SOMPO_Manual%20on%20Corporate%20Governance.pdf</p> <p><i>Also, the Company has established an Internal Audit 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.</i></p> <p><i>Please see Internal Audit Charter.</i></p> <p>https://www.pgasompo.com.ph/files/live/sites/sompo-ph/files/About-Us/2021%20CORPORATE%20GOVERNANCE/PGA%20SOMPO_Internal%20Audit%20Charter.pdf</p>	
3. Board approves the Internal Audit Charter.	Compliant	<p>Provide reference or link to the company's Internal Audit Charter.</p> <p><i>One of the functions of the Board is to approve the Internal Audit Charter.</i></p>	

		<p>Please see item 4.1.2.18 in page 7 of the MCG.</p> <p>https://www.pgasompo.com.ph/files/live/sites/sompo-ph/files/About-Us/2021%20CORPORATE%20GOVERNANCE/PGA%20SOMPO Manual%20on%20Corporate%20Governance.pdf</p> <p>https://www.pgasompo.com.ph/files/live/sites/sompo-ph/files/About-Us/2021%20CORPORATE%20GOVERNANCE/PGA%20SOMPO Internal%20Audit%20Charter.pdf</p>	
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	<p>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.</p>	
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	<p>Provide proof of effectiveness of risk management strategies, if any.</p> <p>Please see item 5.2 in page 25 of the MCG.</p> <p>https://www.pgasompo.com.ph/files/live/sites/sompo-ph/files/About-Us/2021%20CORPORATE%20GOVERNANCE/PGA%20SOMPO Manual%20on%20Corporate%20Governance.pdf</p> <p>Please see page 20 of the Annual Report for the Company's statement on risk management and adequacy of internal control.</p> <p>https://www.pgasompo.com.ph/files/live/sites/sompo-ph/files/About-Us/2021%20CORPORATE%20GOVERNANCE/2021%20PGA%20SOMPO%20-%20ANNUAL%20REPORT.pdf</p>	

Recommendation 2.12			
1. Board has a Board Charter that formalizes and clearly states its roles, responsibilities and accountabilities in carrying out its fiduciary role.	Compliant	Provide link to the company's website where the Board Charter is disclosed.	
2. Board Charter serves as a guide to the directors in the performance of their functions.	Compliant	<i>The Board has no separate Charter. The roles, responsibilities and accountabilities of the Board in carrying out its fiduciary role are formalized and clearly stated in the MCG. It guides the Directors in the performance of their functions.</i>	
3. Board Charter is publicly available and posted on the company's website.	Compliant	<p><i>Th MCG is publicly available and posted on the Company's website.</i></p> <p><i>Please see pages 5 to 10 of the MCG.</i></p> <p>https://www.pgasompo.com.ph/files/live/sites/sompo-ph/files/About-Us/2021%20CORPORATE%20GOVERNANCE/PGA%20SOMPO_Manual%20on%20Corporate%20Governance.pdf</p>	
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	<p>Provide information or link/reference to a document containing information on all the board committees established by the company.</p> <p><i>The Board has established the following Board Committees that focus on specific board functions to aid in the optimal performance of its roles and responsibilities:</i></p> <ol style="list-style-type: none"> 1. <i>Audit Committee;</i> 2. <i>Board Risk Oversight Committee;</i> 3. <i>Corporate Governance Committee;</i> 4. <i>Related Party Transactions Committee.</i> 	

		<p>Please see pages 41 to 54 of the Annual Report.</p> <p>https://www.pgasompo.com.ph/files/live/sites/sompo-ph/files/About-Us/2021%20CORPORATE%20GOVERNANCE/2021%20PGA%20SOMPO%20-%20ANNUAL%20REPORT.pdf</p>	
Recommendation 3.2			
<p>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.</p>	Compliant	<p>Provide information or link/reference to a document containing information on the Audit Committee, including its functions.</p> <p>Indicate if it is the Audit Committee's responsibility to recommend the appointment and removal of the company's external auditor.</p> <p><i>Please refer to pages 42 to 45 of the Annual Report for the information on the Audit Committee, including its functions.</i></p> <p><i>The Audit Committee is responsible for recommending the appointment and removal of the Company's external auditor.</i></p> <p>https://www.pgasompo.com.ph/files/live/sites/sompo-ph/files/About-Us/2021%20CORPORATE%20GOVERNANCE/2021%20PGA%20SOMPO%20-%20ANNUAL%20REPORT.pdf</p>	
<p>2. Audit Committee is composed of at least three appropriately qualified non-executive directors, the majority of whom, including the Chairman is independent.</p>	Compliant	<p>Provide information or link/reference to a document containing information on the members of the Audit Committee, including their qualifications and type of directorship.</p> <p><i>Audit Committee is composed of three non-executive directors, all of whom, including the Chairman is independent.</i></p>	

		<p><i>Please see page 45 of the Annual Report.</i></p> <p>https://www.pgasompo.com.ph/files/live/sites/sompo-ph/files/About-Us/2021%20CORPORATE%20GOVERNANCE/2021%20PGA%20SOMPO%20-%20ANNUAL%20REPORT.pdf</p>	
<p>3. All the members of the committee have relevant background, knowledge, skills, and/or experience in the areas of accounting, auditing and finance.</p>	Compliant	<p>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.</p> <p><i>The academic qualifications, industry knowledge, professional experience, expertise, and relevant trainings of the members are provided in pages 35 to 38 of the Annual Report.</i></p> <p>https://www.pgasompo.com.ph/files/live/sites/sompo-ph/files/About-Us/2021%20CORPORATE%20GOVERNANCE/2021%20PGA%20SOMPO%20-%20ANNUAL%20REPORT.pdf</p>	
<p>4. The Chairman of the Audit Committee is not the Chairman of the Board or of any other committee.</p>	Compliant	<p>Provide information or link/reference to a document containing information on the Chairman of the Audit Committee.</p> <p><i>The Chairman of the Audit Committee is not the Chairman of the Board or of any other committee.</i></p> <p><i>Please see page 45 of the Annual Report.</i></p> <p>https://www.pgasompo.com.ph/files/live/sites/sompo-ph/files/About-Us/2021%20CORPORATE%20GOVERNANCE/2021%20PGA%20SOMPO%20-%20ANNUAL%20REPORT.pdf</p>	

Recommendation 3.3

<p>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.</p>	<p>Compliant</p>	<p>Provide information or reference to a document containing information on the Corporate Governance Committee, including its functions.</p> <p>Indicate if the Committee undertook the process of identifying the quality of directors aligned with the company's strategic direction, if applicable.</p> <p><i>Please see pages 49 to 51 of the Annual Report for the information on the Corporate Governance Committee, including its functions.</i></p> <p><i>The Corporate Governance Committee is responsible for establishing the process of identifying the quality of Directors aligned with the Company's strategic direction.</i></p> <p>https://www.pgasompo.com.ph/files/live/sites/sompo-ph/files/About-Us/2021%20CORPORATE%20GOVERNANCE/2021%20PGA%20SOMPO%20-%20ANNUAL%20REPORT.pdf</p>	
<p>2. Corporate Governance Committee is composed of at least three members, all of whom should be independent directors.</p>	<p>Compliant</p>	<p>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.</p> <p><i>The Corporate Governance Committee is composed of three members, the majority of whom, including the Chairman is independent. This is pursuant to the Revised Code of Corporate Governance for Insurance Commission Regulated Companies Recommendation 3.3.</i></p>	

		<p>Please see page 51 of the Annual Report.</p> <p>https://www.pgasompo.com.ph/files/live/sites/sompo-ph/files/About-Us/2021%20CORPORATE%20GOVERNANCE/2021%20PGA%20SOMPO%20-%20ANNUAL%20REPORT.pdf</p>	
3. Chairman of the Corporate Governance Committee is an independent director.	Compliant	<p>Provide information or link/reference to a document containing information on the Chairman of the Corporate Governance Committee.</p> <p><i>The Chairman of the Corporate Governance Committee is an Independent Director.</i></p> <p>Please see page 51 of the Annual Report.</p> <p>https://www.pgasompo.com.ph/files/live/sites/sompo-ph/files/About-Us/2021%20CORPORATE%20GOVERNANCE/2021%20PGA%20SOMPO%20-%20ANNUAL%20REPORT.pdf</p>	
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	<p>Provide information or link/reference to a document containing information on the Board Risk Oversight Committee (BROC), including its functions.</p> <p><i>Please see pages 46 to 48 of the Annual Report for the information on the BROC, including its functions.</i></p> <p>https://www.pgasompo.com.ph/files/live/sites/sompo-ph/files/About-Us/2021%20CORPORATE%20GOVERNANCE/2021%20PGA%20SOMPO%20-%20ANNUAL%20REPORT.pdf</p>	
2. BROC is composed of at least three members, the majority of whom should be independent directors, including the Chairman.	Compliant	<p>Provide information or link/reference to a document containing information on the members of the BROC, including their qualifications and type of directorship.</p>	

		<p><i>The BROC is composed of three members, the majority of whom are Independent Directors, including the Chairman.</i></p> <p><i>Please see page 48 of the Annual Report.</i></p> <p>https://www.pgasompo.com.ph/files/live/sites/sompo-ph/files/About-Us/2021%20CORPORATE%20GOVERNANCE/2021%20PGA%20SOMPO%20-%20ANNUAL%20REPORT.pdf</p>	
3. The Chairman of the BROC is not the Chairman of the Board or of any other committee.	Compliant	<p>Provide information or link/reference to a document containing information on the Chairman of the BROC.</p> <p><i>The Chairman of the BROC is not the Chairman of the Board or of any other Committee.</i></p> <p><i>Please see page 48 of the Annual Report.</i></p> <p>https://www.pgasompo.com.ph/files/live/sites/sompo-ph/files/About-Us/2021%20CORPORATE%20GOVERNANCE/2021%20PGA%20SOMPO%20-%20ANNUAL%20REPORT.pdf</p>	
4. At least one member of the BROC has relevant thorough knowledge and experience on risk and risk management.	Compliant	<p>Provide information or link/reference to a document containing information on the background, skills, and/or experience of the members of the BROC.</p> <p><i>The profiles of the members of the BROC are disclosed in the Annual Report.</i></p> <p><i>Please see pages 29, 35, 38 of the Annual Report.</i></p> <p>https://www.pgasompo.com.ph/files/live/sites/sompo-ph/files/About-Us/2021%20CORPORATE%20GOVERNANCE/2021%20PGA%20SOMPO%20-%20ANNUAL%20REPORT.pdf</p>	

Recommendation 3.5

<p>1. Board establishes a Related Party Transactions (RPT) Committee, which is tasked with reviewing all material related party transactions of the company.</p>	<p>Compliant</p>	<p>Provide information or link/reference to a document containing information on the Related Party Transactions (RPT) Committee, including its functions.</p> <p><i>Please see pages 51 to 54 of the Annual Report for the information on the RPT Committee, including its functions.</i></p> <p>https://www.pgasompo.com.ph/files/live/sites/sompo-ph/files/About-Us/2021%20CORPORATE%20GOVERNANCE/2021%20PGA%20SOMPO%20-%20ANNUAL%20REPORT.pdf</p>	
<p>2. RPT Committee is composed of at least three non-executive directors, two of whom should be independent, including the Chairman.</p>	<p>Compliant</p>	<p>Provide information or link/reference to a document containing information on the members of the RPT Committee, including their qualifications and type of directorship.</p> <p><i>The RPT Committee is composed of three non-executive members, two of whom is independent, including the Chairman.</i></p> <p><i>Please see page 54 of the Annual Report.</i></p> <p>https://www.pgasompo.com.ph/files/live/sites/sompo-ph/files/About-Us/2021%20CORPORATE%20GOVERNANCE/2021%20PGA%20SOMPO%20-%20ANNUAL%20REPORT.pdf</p>	
<p>Recommendation 3.6</p>			
<p>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.</p>	<p>Compliant</p>	<p>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.</p> <p><i>The Committee Charters containing the purposes, memberships, structures, operations, reporting process, resources and other relevant information of the Committees are posted on the Company's website.</i></p>	
<p>2. Committee Charters provide standards for evaluating the performance of the Committees.</p>	<p>Compliant</p>	<p><i>The Committee Charters containing the purposes, memberships, structures, operations, reporting process, resources and other relevant information of the Committees are posted on the Company's website.</i></p>	

		<p><i>The Committee Charters provide standards for evaluating the performance of the Committees.</i></p> <p>https://www.pgasompo.com.ph/files/live/sites/sompo-ph/files/About-Us/2021%20CORPORATE%20GOVERNANCE/Audit%20Committee%20Charter.pdf</p> <p>https://www.pgasompo.com.ph/files/live/sites/sompo-ph/files/About-Us/2021%20CORPORATE%20GOVERNANCE/Board%20Risk%20Oversight%20Committee%20Charter.pdf</p> <p>https://www.pgasompo.com.ph/files/live/sites/sompo-ph/files/About-Us/2021%20CORPORATE%20GOVERNANCE/Corporate%20Governance%20Committee%20Charter.pdf</p> <p>https://www.pgasompo.com.ph/files/live/sites/sompo-ph/files/About-Us/2021%20CORPORATE%20GOVERNANCE/Related%20Party%20Transactions%20Committee%20Charter%20-%20Copy.pdf</p>	
<p>3. Committee Charters were fully disclosed on the company's website.</p>	<p>Compliant</p>	<p>Provide link to company's website where the Committee Charters are disclosed.</p> <p><i>The Committee Charters were fully disclosed on the Company's website.</i></p> <p>https://www.pgasompo.com.ph/files/live/sites/sompo-ph/files/About-Us/2021%20CORPORATE%20GOVERNANCE/Audit%20Committee%20Charter.pdf</p>	

		https://www.pgasompo.com.ph/files/live/sites/sompo-ph/files/About-Us/2021%20CORPORATE%20GOVERNANCE/Board%20Risk%20Oversight%20Committee%20Charter.pdf https://www.pgasompo.com.ph/files/live/sites/sompo-ph/files/About-Us/2021%20CORPORATE%20GOVERNANCE/Corporate%20Governance%20Committee%20Charter.pdf https://www.pgasompo.com.ph/files/live/sites/sompo-ph/files/About-Us/2021%20CORPORATE%20GOVERNANCE/Related%20Party%20Transactions%20Committee%20Charter%20-%20Copy.pdf	
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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	<p>Provide information or link/reference to a document containing information on the process and procedure for tele/videoconferencing board and/or committee meetings.</p> <p><i>The process and procedure for teleconferencing/ videoconferencing board and/or committee meetings are provided under the Certification of Quorum portion of the Minutes of the Meeting. The process and procedure are pursuant to the Securities and Exchange Commission’s Memorandum Circular No. 15 Series of 2001.</i></p> <p>Provide information or link/reference to a document containing information on the attendance and participation of directors to Board, Committee and shareholders’ meetings.</p>	
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2. The directors review meeting materials for all Board and Committee meetings.	Compliant	<p>All meeting materials are reviewed by the Directors, including minutes of the previous meetings.</p> <p><i>Please see default item 3 of the Minutes.</i></p> <p>https://www.pgasompo.com.ph/files/live/sites/sompo-ph/files/About-Us/2021%20CORPORATE%20GOVERNANCE/PGA%20SOMPO_Minutes%20of%20Regular%20BOD%20Meeting_December%2021%2c%202021.pdf</p>	
3. The directors ask the necessary questions or seek clarifications and explanations during the Board and Committee meetings.	Compliant	<p>Provide information or link/reference to a document containing information on any questions raised or clarification/explanation sought by the directors.</p> <p><i>Please see Minutes of the ASM and Regular Board Meeting.</i></p>	

		<p>https://www.pgasompo.com.ph/files/live/sites/sompo-ph/files/About-Us/2021%20CORPORATE%20GOVERNANCE/PGA%20SOMPO_Minutes%20of%202021%20Annual%20Stockholders%20Meeting.pdf</p> <p>https://www.pgasompo.com.ph/files/live/sites/sompo-ph/files/About-Us/2021%20CORPORATE%20GOVERNANCE/PGA%20SOMPO_Minutes%20of%20Regular%20BOD%20Meeting_December%202021%2c%202021.pdf</p>	
Recommendation 4.2			
<p>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.</p>	<p>Compliant</p>	<p>Disclose if the company has a policy setting the limit of board seats that a non-executive director can hold simultaneously.</p> <p>Provide information or reference to a document containing information on the directorships of the company's directors in both listed and non-listed companies.</p> <p><i>The Company has a policy on multiple board seats for non-executive directors.</i></p> <p><i>Please see page 16 of the MCG.</i></p> <p>https://www.pgasompo.com.ph/files/live/sites/sompo-ph/files/About-Us/2021%20CORPORATE%20GOVERNANCE/PGA%20SOMPO_Manual%20on%20Corporate%20Governance.pdf</p> <p><i>Please see pages 26 to 38 of the Annual Report for the personal profile of the Directors.</i></p> <p>https://www.pgasompo.com.ph/files/live/sites/sompo-ph/files/About-Us/2021%20CORPORATE%20GOVERNANCE/2021%20PGA%20SOMPO%20-%20ANNUAL%20REPORT.pdf</p>	

Recommendation 4.3			
1. The directors notify the company's board before accepting a directorship in another company.	Compliant	<p>Provide copy of written notification to the board or minutes of board meeting wherein the matter was discussed.</p> <p><i>The Company requires the Directors to notify the Board before accepting a directorship in another company.</i></p> <p><i>Please see page 16 of the MCG.</i></p> <p>https://www.pgasompo.com.ph/files/live/sites/sompo-ph/files/About-Us/2021%20CORPORATE%20GOVERNANCE/PGA%20SOMPO_Manual%20on%20Corporate%20Governance.pdf</p>	
Principle 5: The board should endeavor to exercise an objective and independent judgment on all corporate affairs			
Recommendation 5.1			
1. The Board is composed of at least twenty percent (20%) independent directors.	Compliant	<p>Provide information or link/reference to a document containing information on the number of independent directors in the board.</p> <p><i>The Board has four (4) Independent Directors.</i></p> <p><i>Please see pages 34 to 38 of the Annual Report.</i></p> <p>https://www.pgasompo.com.ph/files/live/sites/sompo-ph/files/About-Us/2021%20CORPORATE%20GOVERNANCE/2021%20PGA%20SOMPO%20-%20ANNUAL%20REPORT.pdf</p>	
Recommendation 5.2			
1. The independent directors possess all the qualifications and none of the disqualifications to hold the positions.	Compliant	<p>Provide information or link/reference to a document containing information on the qualifications of the independent directors.</p>	

		<p><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></p> <p><i>The qualifications of the Independent Directors are provided under the MCG. Please see pages 9 and 10.</i></p> <p>https://www.pgasompo.com.ph/files/live/sites/sompo-ph/files/About-Us/2021%20CORPORATE%20GOVERNANCE/PGA%20SOMPO_Manual%20on%20Corporate%20Governance.pdf</p>	
Recommendation 5.3			
<p>1. The independent directors serve for a cumulative term of nine years.</p> <p>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.</p> <p>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.</p>	Compliant	<p>Provide information or link/reference to a document showing the years IDs have served as such.</p> <p><i>All Independent Directors of the Company have served for three (3) years reckoned from 2018.</i></p> <p><i>Please see pages 34 to 38 of the Annual Report showing the years the Independent Directors have served.</i></p> <p>https://www.pgasompo.com.ph/files/live/sites/sompo-ph/files/About-Us/2021%20CORPORATE%20GOVERNANCE/2021%20PGA%20SOMPO%20-%20ANNUAL%20REPORT.pdf</p>	
<p>2. The company bars an independent director from serving in such capacity after the term limit of nine years.</p>	Compliant	<p>Provide information or link/reference to a document containing information on the company's policy on term limits for its independent director.</p> <p><i>The MCG provides for the term limit of nine (9) years for Independent Directors.</i></p> <p><i>Please see page 16 of the MCG.</i></p>	

		https://www.pgasompo.com.ph/files/live/sites/sompo-ph/files/About-Us/2021%20CORPORATE%20GOVERNANCE/PGA%20SOMPO_Manual%20on%20Corporate%20Governance.pdf	
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	<p>Provide reference to the meritorious justification and proof of shareholders' approval during the annual shareholders' meeting.</p> <p><i>Any term beyond nine (9) years for an Independent Director is subjected to particularly rigorous review.</i></p> <p><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></p> <p><i>In addition, the Board must submit to the Insurance Commission a formal written justification and the Shareholders' approval.</i></p> <p><i>Please see page 16 of the MCG.</i></p> <p>https://www.pgasompo.com.ph/files/live/sites/sompo-ph/files/About-Us/2021%20CORPORATE%20GOVERNANCE/PGA%20SOMPO_Manual%20on%20Corporate%20Governance.pdf</p>	
Recommendation 5.4			
1. The positions of Chairman of the Board and Chief Executive Officer are held by separate individuals.	Compliant	<p>Identify the company's Chairman of the Board and Chief Executive Officer.</p> <p><i>The Company's Chairman is Mr. Robert Coyiuto Jr. while the President and CEO is Mr. Fumihiko Harada.</i></p> <p><i>Please see page 56 of the Annual Report.</i></p>	

		https://www.pgasompo.com.ph/files/live/sites/sompo-ph/files/About-Us/2021%20CORPORATE%20GOVERNANCE/2021%20PGA%20SOMPO%20-%20ANNUAL%20REPORT.pdf	
2. The Chairman of the Board and Chief Executive Officer have clearly defined responsibilities.	Compliant	<p>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.</p> <p>Identify the relationship of Chairman and CEO.</p> <p><i>The responsibilities of the Chairman of the Board and the President and CEO are provided under the MCG.</i></p> <p><i>Please see pages 10 to 11 of the MCG.</i></p> <p>https://www.pgasompo.com.ph/files/live/sites/sompo-ph/files/About-Us/2021%20CORPORATE%20GOVERNANCE/PGA%20SOMPO_Manual%20on%20Corporate%20Governance.pdf</p> <p><i>The Chairman and the President and CEO are not related with each other.</i></p>	
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	<p>Provide information or link/reference to a document containing information on a lead independent director and his roles and responsibilities, if any.</p> <p>Indicate if Chairman is independent.</p> <p><i>The Chairman is not an Independent Director. The Company's lead Independent Director is Mr. Francisco M. Bayot, Jr.</i></p> <p><i>The Lead Independent Director's roles and responsibilities are provided on page 11 to 12 of the MCG.</i></p>	

		https://www.pgasompo.com.ph/files/live/sites/sompo-ph/files/About-Us/2021%20CORPORATE%20GOVERNANCE/PGA%20SOMPO_Manual%20on%20Corporate%20Governance.pdf	
Recommendation 5.6			
1. Directors with material interest in a transaction affecting the corporation abstain from taking part in the deliberations on the transaction.	Compliant	<p>Provide proof of abstention, if this was the case</p> <p><i>The Directors are required to conduct fair business transactions with the Company and ensure that personal interest does not bias Board decisions.</i></p> <p><i>To date, there was no transaction involving a material interest that in need of the Directors' abstention.</i></p> <p><i>Please see page 8 of the MCG.</i></p> <p>https://www.pgasompo.com.ph/files/live/sites/sompo-ph/files/About-Us/2021%20CORPORATE%20GOVERNANCE/PGA%20SOMPO_Manual%20on%20Corporate%20Governance.pdf</p>	
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 present.	Compliant	<p>Provide proof and details of said meeting, if any.</p> <p>Provide information on the frequency and attendees of meetings.</p>	
2. The meetings are chaired by the lead independent director.	Compliant	<p><i>The Company's non-executive directors have separate periodic meetings with the internal audit, compliance and risk functions, without any executive present.</i></p> <p><i>The meetings are chaired by the Company's Lead Independent Director, Mr. Francisco M. Bayot, Jr.</i></p>	

Principle 6: The best measure of the Board’s effectiveness is through an assessment process. The Board should regularly carry out evaluations to appraise its performance as a body, and assess whether it possesses the right mix of backgrounds and competencies.

Recommendation 6.1

1. The Board conducts an annual assessment of its performance as a whole.	Compliant	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 assessment process provided under the MCG.</i> <i>Please see item 11 in page 33 of the MCG.</i> https://www.pgasompo.com.ph/files/live/sites/sompo-ph/files/About-Us/2021%20CORPORATE%20GOVERNANCE/PGA%20OMPO_Manual%20on%20Corporate%20Governance.pdf https://www.pgasompo.com.ph/files/live/sites/sompo-ph/files/About-Us/2021%20CORPORATE%20GOVERNANCE/Criteria%20for%20Performance%20Assessment_Board.pdf https://www.pgasompo.com.ph/files/live/sites/sompo-ph/files/About-Us/2021%20CORPORATE%20GOVERNANCE/Criteria%20for%20Assessment_Chairman.pdf https://www.pgasompo.com.ph/files/live/sites/sompo-ph/files/About-Us/2021%20CORPORATE%20GOVERNANCE/Criteria%20for%20Performance%20Assessment_Member%20of%20the%20Board.pdf https://www.pgasompo.com.ph/files/live/sites/sompo-ph/files/About-Us/2021%20CORPORATE%20GOVERNANCE/Criteria%20for%20Performance%20Assessment_Board%20Committee.pdf	
2. The performance of the Chairman is assessed annually by the Board.	Compliant		
3. The performance of the individual member of the Board is assessed annually by the Board.	Compliant		
4. The performance of each committee is assessed annually by the Board.	Compliant		

		https://www.pgasompo.com.ph/files/live/sites/sompo-ph/files/About-Us/2021%20CORPORATE%20GOVERNANCE/Key%20Performance%20Indicator_President%20and%20CEO.pdf	
5. Every three years, the assessments are supported by an external facilitator.	Compliant	Identify the external facilitator and provide proof of use of an external facilitator. <i>The Board will engage the services of an external facilitator to conduct the assessment process every three years.</i>	
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	
2. The system allows for a feedback mechanism from the shareholders.	Compliant	<i>This is one of the duties and responsibilities of the Corporate Governance Committee.</i> <i>Please see pages 1 to 2 of the Corporate Governance Committee Charter.</i> https://www.pgasompo.com.ph/files/live/sites/sompo-ph/files/About-Us/2021%20CORPORATE%20GOVERNANCE/Corporate%20Governance%20Committee%20Charter.pdf https://www.pgasompo.com.ph/files/live/sites/sompo-ph/files/About-Us/2021%20CORPORATE%20GOVERNANCE/Criteria%20for%20Performance%20Assessment_Board.pdf	

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Principle 7: Members of the Board are duty-bound to apply high ethical standards, taking into account the interests of all stakeholders.

Recommendation 7.1

1. Board adopts a Code of Business Conduct and Ethics, which provide standards for professional and ethical behavior, as well as articulate acceptable and unacceptable conduct and practices in internal and external dealings of the company.	Compliant	<p>Provide information on or link/reference to the company's Code of Business Conduct and Ethics.</p> <p><i>The Company's Code of Business Conduct and ethics is provided under the Company's Compliance Manual.</i></p> <p>https://www.pgasompo.com.ph/files/live/sites/sompo-ph/files/About-Us/2021%20CORPORATE%20GOVERNANCE/PGA%20SOMPO_Compliance%20Manual.pdf</p>	
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2. The Code is properly disseminated to the Board, senior management and employees.	Compliant	<p>Provide information on or discuss how the company disseminated the Code to its Board, senior management and employees.</p> <p><i>Board disseminates the policy and program to employees across the organization through the Company's Human Resources Department.</i></p> <p>https://www.pgasompo.com.ph/files/live/sites/sompo-ph/files/About-Us/2021%20CORPORATE%20GOVERNANCE/PGA%20SOMPO Compliance%20Manual.pdf</p>	
3. The Code is disclosed and made available to the public through the company website.	Compliant	<p>Provide a link to the company's website where the Code of Business Conduct and Ethics is posted/ disclosed.</p> <p>https://www.pgasompo.com.ph/home/about-us.html</p> <p>https://www.pgasompo.com.ph/files/live/sites/sompo-ph/files/About-Us/2021%20CORPORATE%20GOVERNANCE/PGA%20SOMPO Compliance%20Manual.pdf</p>	
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.	
2. Board ensures the proper and efficient implementation and monitoring of compliance with company internal policies.	Compliant	<p>Indicate who are required to comply with the Code of Business Conduct and Ethics and any findings on non-compliance.</p> <p><i>Every aspect of human resource administration is covered under the Compliance Manual.</i></p> <p><i>Under the Compliance Program, the Human Resources Department and the Compliance Committee shall follow and monitor the adherence and conduct of employees</i></p>	

		<p><i>under the set of implementing rules on the Compliance Program.</i></p> <p><i>Each Department Head will automatically be a member of the Compliance Committee.</i></p> <p><i>The Human Resources Department shall be the center of monitoring activities and all employees' information and actions taken are coursed through this Department.</i></p> <p>https://www.pgasompo.com.ph/files/live/sites/sompo-ph/files/About-Us/2021%20CORPORATE%20GOVERNANCE/PGA%20SOMPO Compliance%20Manual.pdf</p>	
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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

<p>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.</p>	<p>Compliant</p>	<p>Provide information on or link/reference to the company's disclosure policies and procedures including reports distributed/made available to shareholders and other stockholders.</p> <p>The policy on disclosure and transparency is provided under the MCG.</p> <p><i>Please see pages 32 to 33 of the MCG.</i></p> <p>https://www.pgasompo.com.ph/files/live/sites/sompo-ph/files/About-Us/2021%20CORPORATE%20GOVERNANCE/PGA%20SOMPO Manual%20on%20Corporate%20Governance.pdf</p>	
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Recommendation 8.3

<p>1. Board fully discloses all relevant and material information on individual board members to evaluate their experience and qualifications,</p>	<p>Compliant</p>	<p>Provide link or reference to the directors' academic qualifications, share ownership in the company, membership in other boards, other executive positions,</p>	
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<p>and assess any potential conflicts of interest that might affect their judgment.</p>		<p>professional experiences, expertise and relevant trainings attended.</p> <p><i>Please see pages 26 to 38 of the Annual Report.</i></p> <p>https://www.pgasompo.com.ph/files/live/sites/sompo-ph/files/About-Us/2021%20CORPORATE%20GOVERNANCE/2021%20PGA%20SOMPO%20-%20ANNUAL%20REPORT.pdf</p>	
<p>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.</p>	<p>Compliant</p>	<p>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.</p> <p><i>Please see pages 26 to 38 of the Annual Report.</i></p> <p>https://www.pgasompo.com.ph/files/live/sites/sompo-ph/files/About-Us/2021%20CORPORATE%20GOVERNANCE/2021%20PGA%20SOMPO%20-%20ANNUAL%20REPORT.pdf</p>	
<p>Recommendation 8.4</p>			
<p>1. Company provides a clear disclosure of its policies and procedure for setting Board remuneration, including the level and mix of the same in the Annual Corporate Governance Report consistent with ASEAN Corporate Governance Scorecard (ACGS) and the Revised Corporation Code.</p>	<p>Compliant</p>	<p>Disclose or provide link/reference to the company policy and practice for setting board remuneration.</p> <p><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 essentials to the success of the Company.</i></p> <p><i>Please see page 40 of the Annual Report.</i></p> <p>https://www.pgasompo.com.ph/files/live/sites/sompo-ph/files/About-Us/2021%20CORPORATE%20GOVERNANCE/2021%20PGA%20SOMPO%20-%20ANNUAL%20REPORT.pdf</p>	

		Us/2021%20CORPORATE%20GOVERNANCE/2021%20PGA%20SOMPO%20-%20ANNUAL%20REPORT.pdf	
2. Company provides a clear disclosure of its policies and procedure for setting Executive remuneration, including the level and mix of the same in the Annual Corporate Governance Report consistent with ASEAN Corporate Governance Scorecard (ACGS) and the Revised Corporation Code.	Compliant	<p>Disclose or provide link/reference to the company policy and practice for determining executive remuneration.</p> <p><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 essentials to the success of the Company.</i></p> <p><i>Please see page 40 of the Annual Report.</i></p> <p>https://www.pgasompo.com.ph/files/live/sites/sompo-ph/files/About-Us/2021%20CORPORATE%20GOVERNANCE/2021%20PGA%20SOMPO%20-%20ANNUAL%20REPORT.pdf</p>	
3. Company discloses the remuneration on an individual basis, including termination and retirement provisions.	Compliant	<p>Provide breakdown of director remuneration and executive compensation, particularly the remuneration of the CEO.</p> <p><i>Due to confidentiality of the information, the Company does not disclose the remuneration on an individual basis. The aggregate amount of the remuneration is disclosed in the 2021 Audited Financial Statements and Annual Report.</i></p> <p><i>Please see page 54 of the 2021 Audited Financial Statements and page 40 of the Annual Report.</i></p> <p>https://www.pgasompo.com.ph/files/live/sites/sompo-ph/files/About-Us/2021%20CORPORATE%20GOVERNANCE/PGA%20SOMPO_2021%20Audited%20Financial%20Statements.pdf</p>	

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Recommendation 8.5			
1. Company discloses its policies governing Related Party Transactions (RPTs) and other unusual or infrequently occurring transactions in their Manual on Corporate Governance.	Compliant	<p>Disclose or provide reference/link to company's RPT policies.</p> <p>Indicate if the director with conflict of interest abstained from the board discussion on that particular transaction.</p> <p><i>Please see pages 21 to 22 of the MCG.</i></p> <p>https://www.pgasompo.com.ph/files/live/sites/sompo-ph/files/About-Us/2021%20CORPORATE%20GOVERNANCE/PGA%20SOMPO_Manual%20on%20Corporate%20Governance.pdf</p>	
2. Company discloses material or significant RPTs in its Annual Company Report or Annual Corporate Governance Report, reviewed and approved by the Board, and submitted for confirmation by majority vote of the stockholders in the annual stockholders' meeting during the year.	Compliant	<p>Provide information on all RPTs for the previous year or reference to a document containing the following information on all RPTs:</p> <ol style="list-style-type: none"> 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 	

		<p>Please see pages 53 to 54 of the 2021 Audited Financial Statements.</p> <p>https://www.pgasompo.com.ph/files/live/sites/sompo-ph/files/About-Us/2021%20CORPORATE%20GOVERNANCE/PGA%20SOMPO 2021%20Audited%20Financial%20Statements.pdf</p>	
Recommendation 8.7			
1. Company's corporate governance policies, programs and procedures are contained in its Manual on Corporate Governance (MCG).	Compliant	<p>Provide link to the company's website where the Manual on Corporate Governance is posted.</p> <p><i>The Company's corporate governance policies, programs and procedures are contained in the MCG.</i></p>	
2. Company's MCG is posted on its company website.	Compliant	<p><i>Copy of the MCG is posted on the Company's website.</i></p> <p>https://www.pgasompo.com.ph/files/live/sites/sompo-ph/files/About-Us/2021%20CORPORATE%20GOVERNANCE/PGA%20SOMPO Manual%20on%20Corporate%20Governance.pdf</p>	
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	<p>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.</p> <p><i>The Audit Committee has a robust process for approving and recommending the appointment, reappointment, removal, and fees of the external auditors.</i></p> <p><i>Please see page 3 of the Audit Committee Charter.</i></p>	

		https://www.pgasompo.com.ph/files/live/sites/sompo-ph/files/About-Us/2021%20CORPORATE%20GOVERNANCE/Audit%20Committee%20Charter.pdf	
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	<p>Indicate the percentage of shareholders that ratified the appointment, reappointment, removal and fees of the external auditor.</p> <p><i>The Board, through the Audit Committee, recommends to the stockholders an external auditor duly accredited by the Insurance Commission, who undertakes an independent audit of the Company, and provides an objective assurance on the manner by which the financial statements should be prepared and presented to the stockholders.</i></p> <p><i>Please see page 3 of the Audit Committee Charter.</i></p> <p>https://www.pgasompo.com.ph/files/live/sites/sompo-ph/files/About-Us/2021%20CORPORATE%20GOVERNANCE/Audit%20Committee%20Charter.pdf</p>	
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	<p>Provide information on or link/reference to a document containing the company's reason for removal or change of external auditor.</p> <p><i>The MCG requires that the removal of the External Auditor, the reasons for removal or change be disclosed to the regulators and the public through the Company website and required disclosures.</i></p>	

		<p>Please see page 25 of the MCG.</p> <p>https://www.pgasompo.com.ph/files/live/sites/sompo-ph/files/About-Us/2021%20CORPORATE%20GOVERNANCE/PGA%20SOMPO Manual%20on%20Corporate%20Governance.pdf</p>	
Recommendation 9.2			
<p>1. Audit Committee Charter includes the Audit Committee's responsibility on:</p> <p>i. assessing the integrity and independence of external auditors;</p> <p>ii. exercising effective oversight to review and monitor the external auditor's independence and objectivity; and</p> <p>iii. exercising effective oversight to review and monitor the effectiveness of the audit process, taking into consideration relevant Philippine professional and regulatory requirements.</p>	Compliant	<p>Provide link/reference to the company's Audit Committee Charter</p> <p><i>These are included as duties and responsibilities of the Audit Committee.</i></p> <p><i>Please see page 3 of the Audit Committee Charter.</i></p> <p>https://www.pgasompo.com.ph/files/live/sites/sompo-ph/files/About-Us/2021%20CORPORATE%20GOVERNANCE/Audit%20Committee%20Charter.pdf</p>	
<p>2. Audit Committee Charter contains the Committee's responsibility on reviewing and monitoring the external auditor's suitability and effectiveness on an annual basis.</p>	Compliant	<p>Provide link/reference to the company's Audit Committee Charter</p> <p><i>Please see page 3 of the Audit Committee Charter.</i></p> <p>https://www.pgasompo.com.ph/files/live/sites/sompo-ph/files/About-Us/2021%20CORPORATE%20GOVERNANCE/Audit%20Committee%20Charter.pdf</p>	
Recommendation 9.3			
<p>1. Company discloses the nature of non-audit services performed by its external auditor in the Annual Report to deal with the potential conflict of interest.</p>	Compliant	<p>Disclose the nature of non-audit services performed by the external auditor, if any.</p> <p><i>The Company did not engage its external auditor for non-audit services.</i></p>	

		<p>Please see page 40 of the Annual Report.</p> <p>https://www.pgasompo.com.ph/files/live/sites/sompo-ph/files/About-Us/2021%20CORPORATE%20GOVERNANCE/2021%20PGA%20SOMPO%20-%20ANNUAL%20REPORT.pdf</p>	
<p>2. Audit Committee stays alert for any potential conflict of interest situations, given the guidelines or policies on non-audit services, which could be viewed as impairing the external auditor's objectivity.</p>	Compliant	<p>Provide link or reference to guidelines or policies on non-audit services</p> <p>Please see item no. 12 under the Duties and Responsibilities of the Audit Committee.</p> <p>Please see page 2 of the Audit Committee Charter.</p> <p>https://www.pgasompo.com.ph/files/live/sites/sompo-ph/files/About-Us/2021%20CORPORATE%20GOVERNANCE/Audit%20Committee%20Charter.pdf</p>	
<p>Principle 10: The company should ensure that the material and reportable non-financial and sustainability issues are disclosed.</p>			
<p>Recommendation 10.1</p>			
<p>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.</p>	Compliant	<p>Disclose or provide link on the company's policies and practices on the disclosure of non-financial information, including EESG issues.</p> <p>Please see item 10.9 in page 33 of the MCG.</p> <p>https://www.pgasompo.com.ph/files/live/sites/sompo-ph/files/About-Us/2021%20CORPORATE%20GOVERNANCE/PGA%20SOMPO_Manual%20on%20Corporate%20Governance.pdf</p>	

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.	<p><i>For this year, the Company was not able to prepare a Sustainability Report due to Pandemic-related challenges.</i></p> <p><i>The Company will endeavor to adopt a globally recognized standard/framework in reporting sustainability and non-financial issue for next year.</i></p>
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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	<p>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.</p> <p><i>The Company maintains a website to ensure a comprehensive, cost efficient, transparent, and timely manner of disseminating relevant information to the public.</i></p> <p><i>Please see below link to access the Company’s website:</i></p> <p>https://www.pgasompo.com.ph/</p>	
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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

<p>1. Company has an adequate and effective internal control system in the conduct of its business.</p>	<p>Compliant</p>	<p>List quality service programs for the internal audit functions.</p> <p>Indicate frequency of review of the internal control system</p> <p><i>The Company has an adequate and effective internal control system in the conduct of its business.</i></p> <p><i>Please see pages 1 to 3 of the Audit Committee Charter for the Duties and Responsibilities of the Audit Committee.</i></p> <p>https://www.pgasompo.com.ph/files/live/sites/sompo-ph/files/About-Us/2021%20CORPORATE%20GOVERNANCE/Audit%20Committee%20Charter.pdf</p> <p><i>Also, please see page 4 of the Internal Audit Charter for the duties and responsibilities of the Internal Audit.</i></p> <p>https://www.pgasompo.com.ph/files/live/sites/sompo-ph/files/About-Us/2021%20CORPORATE%20GOVERNANCE/PGA%20SOMPO_Internal%20Audit%20Charter.pdf</p>	
<p>2. Company has an adequate and effective enterprise risk management framework in the conduct of its business.</p>	<p>Compliant</p>	<p>Identify international framework used for Enterprise Risk Management</p> <p>Provide information or reference to a document containing information on:</p> <ol style="list-style-type: none"> 1. Company's risk management procedures and processes 2. Key risks the company is currently facing 3. How the company manages the key risks <p>Indicate frequency of review of the enterprise risk management framework.</p>	

		<p><i>The Company has an adequate and effective enterprise risk management framework in the conduct of its business.</i></p> <p><i>Please see pages 1 to 2 of the BROC Charter for the Duties and Responsibilities.</i></p> <p>https://www.pgasompo.com.ph/files/live/sites/sompo-ph/files/About-Us/2021%20CORPORATE%20GOVERNANCE/Board%20Risk%20Oversight%20Committee%20Charter.pdf</p>	
Recommendation 12.2			
<p>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.</p>	Compliant	<p>Disclose if the internal audit is in-house or outsourced. If outsourced, identify external firm.</p> <p><i>The Company's internal audit, Prudential Guarantee and Assurance, Inc., is outsourced.</i></p> <p><i>Please see page 4 of the Internal Audit Charter for the duties and responsibilities of the Internal Audit.</i></p> <p>https://www.pgasompo.com.ph/files/live/sites/sompo-ph/files/About-Us/2021%20CORPORATE%20GOVERNANCE/PGA%20SOMPO Internal%20Audit%20Charter.pdf</p>	
Recommendation 12.3			
<p>1. Company has a qualified Chief Audit Executive (CAE) appointed by the Board.</p>	Compliant	<p>Identify the company's Chief Audit Executive (CAE) and provide information on or reference to a document containing his/her responsibilities.</p> <p><i>The Company's CAE is Ms. Maria Soledad Remiter.</i></p>	

		<p>Please see page 60 of the Annual Report.</p> <p>https://www.pgasompo.com.ph/files/live/sites/sompo-ph/files/About-Us/2021%20CORPORATE%20GOVERNANCE/2021%20PGA%20SOMPO%20-%20ANNUAL%20REPORT.pdf</p>	
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	<p>Please see page 24 of the MCG.</p> <p>https://www.pgasompo.com.ph/files/live/sites/sompo-ph/files/About-Us/2021%20CORPORATE%20GOVERNANCE/PGA%20SOMPO_Manual%20on%20Corporate%20Governance.pdf</p>	
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.	Compliant	<p>Identify qualified independent executive or senior management personnel, if applicable.</p> <p><i>The Senior Vice-President for Corporate Support and Chief Finance Officer, Ms. Maria Rosalina T. Coyiuto, is assigned to fully manage the outsourced internal audit activity.</i></p> <p>Please see page 58 of the Annual Report.</p> <p>https://www.pgasompo.com.ph/files/live/sites/sompo-ph/files/About-Us/2021%20CORPORATE%20GOVERNANCE/2021%20PGA%20SOMPO%20-%20ANNUAL%20REPORT.pdf</p>	
Recommendation 12.4			
1. The company has a separate risk management function to identify, assess and monitor key risk exposures.	Compliant	<p>Provide information on company's risk management function.</p> <p><i>Please see 5.5.2 for the specific function in page 26 of the MCG.</i></p>	

		https://www.pgasompo.com.ph/files/live/sites/sompo-ph/files/About-Us/2021%20CORPORATE%20GOVERNANCE/PGA%20SOMPO_Manual%20on%20Corporate%20Governance.pdf	
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	<p>Identify the company's Chief Risk Officer (CRO) and provide information on or reference to a document containing his/her responsibilities and qualifications/background.</p> <p><i>The Company's Chief Risk Officer is Mr. Taichi Yamamoto.</i></p> <p><i>Please see page 56 of the Annual Report.</i></p> <p>https://www.pgasompo.com.ph/files/live/sites/sompo-ph/files/About-Us/2021%20CORPORATE%20GOVERNANCE/2021%20PGA%20SOMPO%20-%20ANNUAL%20REPORT.pdf</p> <p><i>Please see 5.5.2 for the specific function in page 26 of the MCG.</i></p> <p>https://www.pgasompo.com.ph/files/live/sites/sompo-ph/files/About-Us/2021%20CORPORATE%20GOVERNANCE/PGA%20SOMPO_Manual%20on%20Corporate%20Governance.pdf</p>	
2. CRO has adequate authority, stature, resources and support to fulfill his/her responsibilities.	Compliant	<p><i>Please see 5.5.2 for the specific function in page 26 of the MCG.</i></p> <p>https://www.pgasompo.com.ph/files/live/sites/sompo-ph/files/About-Us/2021%20CORPORATE%20GOVERNANCE/PGA%20SOMPO_Manual%20on%20Corporate%20Governance.pdf</p>	

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

<p>1. Board ensures that basic shareholder rights are disclosed in the Manual on Corporate Governance.</p>	<p>Compliant</p>	<p>Provide link or reference to the company's Manual on Corporate Governance where shareholders' rights are disclosed.</p> <p><i>The basic shareholder rights are disclosed in the MCG.</i></p> <p>Please see pages 27 to 30.</p> <p>https://www.pgasompo.com.ph/files/live/sites/sompo-ph/files/About-Us/2021%20CORPORATE%20GOVERNANCE/PGA%20SOMPO_Manual%20on%20Corporate%20Governance.pdf</p>	
<p>2. Board ensures that basic shareholder rights are disclosed on the company's website.</p>	<p>Compliant</p>	<p>Provide link to company's website</p> <p><i>The basic shareholder rights are disclosed on the company's website through the Annual Report.</i></p> <p>Please see pages 22 to 23.</p> <p>https://www.pgasompo.com.ph/files/live/sites/sompo-ph/files/About-Us/2021%20CORPORATE%20GOVERNANCE/2021%20PGA%20SOMPO%20-%20ANNUAL%20REPORT.pdf</p>	

Recommendation 13.2

<p>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.</p>	<p>Compliant</p>	<p>Indicate the number of days before the annual stockholders' meeting or special stockholders' meeting when the notice and agenda were sent out</p> <p>Indicate whether shareholders' approval of remuneration or any changes therein were included in the agenda of the meeting.</p>	
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		<p>Provide link to the Agenda included in the company's Information Statement.</p> <p><i>The Company sent the Notice of Annual Shareholders' Meeting to shareholders on March 08, 2022, or 31 days before the Annual Stockholders' Meeting ("ASM") on April 08, 2022.</i></p> <p>https://www.pgasompo.com.ph/home/media/media/area-body/news-and-update/notice-of-annual-stockholders--2.html</p>	
Recommendation 13.3			
<p>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.</p>	Non-Compliant	<p>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.</p>	<p><i>Although the results of the votes taken during the ASM was not made available the next working day, the Board encourages active participation of the shareholders during the ASM.</i></p> <p><i>Also, all shareholders are present during the ASM.</i></p> <p>https://www.pgasompo.com.ph/files/live/sites/sompo-ph/files/About-Us/2021%20CORPORATE%20GOVERNANCE/PGA%20SOMPO_Minutes%20of%202021%20Annual%20Stockholders%20Meeting.pdf</p>
<p>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.</p>	Non-Compliant	<p>Provide link to minutes of meeting in the company website.</p> <p>Indicate voting results for all agenda items, including the approving, dissenting and abstaining votes.</p>	<p><i>Although the Minutes of the ASM was not posted on the Company's website within five (5) days from the end</i></p>

		<p>Indicate also if the voting on resolutions was by poll.</p> <p>Include whether there was opportunity to ask question and the answers given, if any</p>	<p>of the ASM, the required items are all indicated in the Minutes.</p> <p>https://www.pgasompo.com.ph/files/live/sites/sompo-ph/files/About-Us/2021%20CORPORATE%20GOVERNANCE/PGA%20SOMPO_Minutes%20of%202021%20Annual%20Stockholders%20Meeting.pdf</p>
Recommendation 13.4			
<p>1. Board has an alternative dispute mechanism to resolve intra-corporate disputes in an amicable and effective manner</p>	Compliant	<p>Provide details of the alternative dispute resolution made available to resolve intra-corporate disputes</p> <p><i>The Company has an alternative dispute mechanism in place to resolve intra-corporate disputes in an amicable and effective manner.</i></p> <p><i>Please see page 30 of the MCG.</i></p> <p>https://www.pgasompo.com.ph/files/live/sites/sompo-ph/files/About-Us/2021%20CORPORATE%20GOVERNANCE/PGA%20SOMPO_Manual%20on%20Corporate%20Governance.pdf</p>	
<p>2. The alternative dispute mechanism is included in the company's Manual on Corporate Governance.</p>	Compliant	<p>Provide link/reference to where it is found in the Manual on Corporate Governance</p> <p><i>Please see page 30 of the MCG.</i></p> <p>https://www.pgasompo.com.ph/files/live/sites/sompo-ph/files/About-Us/2021%20CORPORATE%20GOVERNANCE/PGA%20SOMPO_Manual%20on%20Corporate%20Governance.pdf</p>	

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	<p>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.</p> <p><i>Please see page 30 of the MCG.</i></p> <p>https://www.pgasompo.com.ph/files/live/sites/sompo-ph/files/About-Us/2021%20CORPORATE%20GOVERNANCE/PGA%20SOMPO_Manual%20on%20Corporate%20Governance.pdf</p>	
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Recommendation 14.2

1. Board establishes clear policies and programs to provide a mechanism on the fair treatment and protection of stakeholders.	Compliant	<p>Identify policies and programs for the protection and fair treatment of company's stakeholders</p> <p><i>Please see page 30 of the MCG.</i></p> <p>https://www.pgasompo.com.ph/files/live/sites/sompo-ph/files/About-Us/2021%20CORPORATE%20GOVERNANCE/PGA%20SOMPO_Manual%20on%20Corporate%20Governance.pdf</p>	
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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	<p>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.</p> <p>Provide information on whistleblowing policy, practices and procedures for stakeholders</p> <p><i>Please see pages 9 to 10 of the Company's Compliance Manual.</i></p>	
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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	<p>Provide information on or link/reference to company policies, programs and procedures that encourage employee participation.</p> <p><i>Please see pages 30 to 31 of the MCG.</i></p> <p>https://www.pgasompo.com.ph/files/live/sites/sompo-ph/files/About-Us/2021%20CORPORATE%20GOVERNANCE/PGA%20SOMPO_Manual%20on%20Corporate%20Governance.pdf</p> <p><i>Employees' activities are posted on the Company's website.</i></p> <p><i>Please see pages 76 to 85 of the Annual Report.</i></p> <p>https://www.pgasompo.com.ph/files/live/sites/sompo-ph/files/About-Us/2021%20CORPORATE%20GOVERNANCE/2021%20PGA%20SOMPO%20-%20ANNUAL%20REPORT.pdf</p>	
Recommendation 15.2			
1. Board sets the tone and makes a stand against corrupt practices by adopting an anti-corruption policy and program in its Code of Conduct.	Compliant	<p>Identify or provide link/reference to the company's policies, programs and practices on anti-corruption</p> <p><i>Please see pages 4 to 5 of the Company's Compliance Manual.</i></p>	

		https://www.pgasompo.com.ph/files/live/sites/sompo-ph/files/About-Us/2021%20CORPORATE%20GOVERNANCE/PGA%20SOMPO_Compliance%20Manual.pdf	
2. Board disseminates the policy and program to employees across the organization through trainings to embed them in the company's culture.	Compliant	<p>Identify how the board disseminated the policy and program to employees across the organization</p> <p><i>Board disseminates the policy and program to employees across the organization through the Company's Human Resources Department. This is part of the onboarding process of new employees.</i></p> <p>https://www.pgasompo.com.ph/files/live/sites/sompo-ph/files/About-Us/2021%20CORPORATE%20GOVERNANCE/PGA%20SOMPO_Compliance%20Manual.pdf</p>	
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	<p>Disclose or provide link/reference to the company whistleblowing policy and procedure for employees.</p> <p>Indicate if the framework includes procedures to protect the employees from retaliation.</p>	
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	<p>Provide contact details to report any illegal or unethical behavior.</p> <p><i>Please see pages 9 to 10 of the Company's Compliance Manual.</i></p> <p>https://www.pgasompo.com.ph/files/live/sites/sompo-ph/files/About-Us/2021%20CORPORATE%20GOVERNANCE/PGA%20SOMPO_Compliance%20Manual.pdf</p> <p><i>The Company treats all reports seriously, systematically and confidentially.</i></p>	

3. Board supervises and ensures the enforcement of the whistleblowing framework.	Compliant	<p>Provide information on how the board supervised and ensured enforcement of the whistleblowing framework, including any incident of whistleblowing.</p> <p><i>The email hotline for whistleblowing is exclusively accessed and managed by one of the members of the Board.</i></p> <p><i>Please see page 10 of the Compliance Manual.</i> https://www.pgasompo.com.ph/files/live/sites/sompo-ph/files/About-Us/2021%20CORPORATE%20GOVERNANCE/PGA%20SOMPO%20Compliance%20Manual.pdf</p>	
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	<p>Provide information or reference to a document containing information on the company's community involvement and environment-related programs.</p> <p><i>Please see page 66 of the Annual Report for the Company's Corporate Social Responsibility activities.</i></p> <p>https://www.pgasompo.com.ph/files/live/sites/sompo-ph/files/About-Us/2021%20CORPORATE%20GOVERNANCE/2021%20PGA%20SOMPO%20-%20ANNUAL%20REPORT.pdf</p> <p><i>Also, the Company implements environment-friendly practices to contribute to the preservation of the environment.</i></p> <p>https://www.pgasompo.com.ph/files/live/sites/sompo-ph/files/About-Us/2021%20CORPORATE%20GOVERNANCE/Memo%20No.%202020-02_Green%20Initiatives.pdf</p>	

CERTIFICATION

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

Signed in the City of Makati on JUN 09 2022.


ROBERT COYIUTO, JR.
Chairman of the Board


FUMIHIKO HARADA
President and CEO


CRISTINE CUISIA-REMOLLO
Corporate Secretary


MARCOS C. DELIN
Corporate Governance Compliance Officer


MANUEL M. LOPEZ
Independent Director

FRANCISCO M. BAYOT, JR.
Independent Director


ANITA VICTORIA M. RAMOS
Independent Director


JUSTIN C. ONGSUE
Independent Director

SUBSCRIBED AND SWORN to before me this JUN 09 2022, by the following who are all personally known to me (or whom I have identified through competent evidence of identity) and who exhibited to me their respective identification document as follows:

NAME	ID NO.	DATE/PLACE ISSUED
1. Robert Coyiuto, Jr.	Passport No. P7236639A	May 19, 2018/DFA Manila
2. Fumihiko Harada	Passport No. TZ2048227	January 13, 2021/Embassy of Japan in the Philippines
3. Cristine Cuisia-Remollo	Driver's License No. N03-94161444	October 19, 2017/Cavite
4. Marcos C. Delin	SSS No. 34-0749712-9	May 15, 2007/Quezon City
5. Manuel M. Lopez	Passport No. P1793181B	May 30, 2019/DFA Manila
6. Francisco M. Bayot, Jr.	Passport No. 5712402B	November 04, 2020/DFA NCR South
7. Anita Victoria M. Ramos	Driver's License No. N16-70-027460	January 06, 2017/San Juan
8. Justin C. Ongsue	Passport No. P8588198A	September 03, 2018/DFA NCR East

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Book No. XXX ;
Series of 2022.


ATTY. THOMAS ANGELO A. SANTOS
Commission No. M-475
Notary Public for Makati City
Until December 31, 2020
Coyiuto House, 119 C. Palanca Street
Legaspi Village, Makati City
Roll No. 63668
PTR No. 8894223; 02.02.22; Makati City
IBP No. 170278; 12.14.21; Pasig City
MCLE No. VI-0021530; 03.26.2019

Extended until June 30, 2022 (B.M. No. 3795)