

COMPANY NAME:	PGA SOMPO INSURANCE CORPORATION	SECTOR:	INSURANCE	
FINANCIAL YEAR:	2019	COMPANY STRUCTURE	CLASS 3	
PART A: RIGHTS OF SHAREHOLDERS				
ITEM NO.	GOVERNING STANDARD	APPLICABLE PRINCIPLE	RESPONSES	REFERENCE/SOURCE DOCUMENT
A.1	Basic Shareholder Rights			
A.1.1	Does the company pay (interim and final/annual) dividends in an equitable and timely manner; that is, all shareholders are treated equally and paid within 30 days after being (i) declared for interim dividends and (ii) approved by shareholders at general meetings for final dividends?	OECD Principle II: The Rights of Shareholders and Key Ownership Functions (A) Basic shareholder rights should include the right to, amongst others: (6) share in the profits of the corporation.	Y	<p>The 2017 Amended Articles of Incorporation, 2015 Amended By-Laws, and the Manual on Corporate Governance provide the Company's shareholders the right to receive dividends on certain conditions.</p> <p>Item 9 of the 2017 Amended Articles of Incorporation provides that the distributed surplus paid in by the stockholders shall, with the approval of the Insurance Commission, be paid in cash to the contributing stockholders in the same amount and without interest as soon as the earned surplus reserve of the Corporation and the Insurance Commissioner justifies the same.</p> <p>https://www.pgasompo.com.ph/wp-content/uploads/2019/12/PGA-SOMPO_2017-Amended-Articles-of-Incorporation.pdf</p> <p>Article V, Section 2 of the 2015 Amended By-Laws provides that dividends may be declared from the net profits of the company at such time and in such percentage as the Board of Directors may deem proper. No dividend shall be declared that will impair the capital of the company stock dividends shall be declared in accordance with law.</p> <p>https://www.pgasompo.com.ph/wp-content/uploads/2019/12/PGA-SOMPO_2015-Amended-By-Laws.pdf</p>

				<p>Article 6.1.6.1 of the Manual on Corporate Governance provides that Shareholders shall have the right to receive dividends subject to the discretion of the Board.</p> <p>Also under Article 6.1.6.2 of the Manual on Corporate Governance provides that the company shall be compelled to declare dividends when its retained earnings shall be in excess of 100% of its paid-in capital stock.</p> <p>https://www.pgasompo.com.ph/wp-content/uploads/2019/12/PGA-SOMPO_Manual-on-Corporate-Governance.pdf</p>
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A.2 Right to participate in decisions concerning fundamental corporate changes.				
<i>Do shareholders have the right to participate in:</i>				
A.2.1	Amendments to the company's constitution?	<p>OECD Principle II</p> <p>(B) Shareholders should have the right to participate in, and to be sufficiently informed on, decisions concerning fundamental corporate changes such as: (1) amendments to the statutes, or articles of incorporation or similar governing documents of the company.</p>	Y	<p>Article 6.1.2.1 of the Manual on Corporate Governance provides that Shareholders shall have the right to vote on certain corporate acts in accordance with the Corporation Code.</p> <p>https://www.pgasompo.com.ph/wp-content/uploads/2019/12/PGA-SOMPO_Manual-on-Corporate-Governance.pdf</p> <p>Also, Article VIII of the 2015 Amended By-Laws provides that the By-Laws or any of them may be amended or repealed by the stockholders representing the majority of the subscribed capital stock, at any regular or special meeting duly called for that purpose.</p> <p>https://www.pgasompo.com.ph/wp-content/uploads/2019/12/PGA-SOMPO_2015-Amended-By-Laws.pdf</p>

A.2.2	The authorisation of additional shares?	OECD Principle II (B): (2) the authorisation of additional shares.	Y	Item 6.1.7 of the Manual on Corporate Governance provides that shareholders shall have appraisal right or the right to dissent and demand payment of the fair value of their shares in case any amendment to the Articles of Incorporation has the effect of changing or restricting the rights of stockholders or class of shares, or of authorizing preferences in any respect superior to those of outstanding shares or any class, or of extending or shortening the term of corporate existence. https://www.pgasompo.com.ph/wp-content/uploads/2019/12/PGA-SOMPO_Manual-on-Corporate-Governance.pdf
A.2.3	The transfer of all or substantially all assets, which in effect results in the sale of the company?	OECD Principle II.(B): (3) extraordinary transactions, including the transfer of all or substantially all assets, that in effect result in the sale of the company.	Y	Item 6.1.7 of the Manual on Corporate Governance provides that shareholders shall have appraisal right or the right to dissent and demand payment of the fair value of their shares in case of sale, lease, exchange, transfer, mortgage, pledge or other disposition of all or substantially all of the corporate property and assets as provided in the Corporation Code. https://www.pgasompo.com.ph/wp-content/uploads/2019/12/PGA-SOMPO_Manual-on-Corporate-Governance.pdf

A.3 Right to participate effectively in and vote in general shareholder meetings and should be informed of the rules, including voting procedures, that govern general shareholder meetings.				
A.3.1	Do shareholders have the opportunity, evidenced by an agenda item, to approve remuneration (fees, allowances, benefit-in-kind and other emoluments) or any increases in remuneration for the non-executive directors/commissioners?	OECD Principle II (C): (3) Effective shareholder participation in key corporate governance decisions, such as the nomination and election of board members, should be facilitated. Shareholders should be able to make their views known on the remuneration policy for board members and	Y	Default Item.

A.3.2	Does the company provide non-controlling shareholders a right to nominate candidates for board of directors/commissioners?	key executives. The equity component of compensation schemes for board members and employees should be subject to shareholder approval.	Y	Please see Minutes of the Annual Stockholders' Meeting, item no. 9. https://www.pgasompo.com.ph/wp-content/uploads/2019/12/PGA-SOMPO_MINUTES_Annual-Stockholders-Meeting_2020_05_28.pdf
A.3.3	Does the company allow shareholders to elect directors/commissioners individually?		Y	Article I, Section 6 of the 2015 Amended By-Laws provides that at each stockholders' meeting, every stockholder entitled to vote shall be entitled to one vote for each share of stock registered in his name in the books of the corporation; provided, however, that in the case of the election of directors, every stockholder entitled to vote shall be entitled to cast his vote, at his option, in accordance with the provisions of the Corporation Law. every stockholder entitled to vote may vote personally or by proxy. The instrument authorizing a proxy to act shall be exhibited to the secretary of the corporation and inspectors of election and shall be lodged with the said secretary if so requested. https://www.pgasompo.com.ph/wp-content/uploads/2019/12/PGA-SOMPO_2015-Amended-By-Laws.pdf Please see Minutes of the Annual Stockholders' Meeting, item no. 9. https://www.pgasompo.com.ph/wp-content/uploads/2019/12/PGA-SOMPO_MINUTES_Annual-Stockholders-Meeting_2020_05_28.pdf

A.3.4	Does the company disclose the voting and vote tabulation procedures used, declaring both before the meeting proceeds?	OECD Principle II (C): Shareholders should have the opportunity to participate effectively and vote in general shareholder meetings and should be informed of the rules, including voting procedures, that govern general shareholder meetings.	Y	Prior to election, the Corporate Secretary explains the procedure that will be followed in the actual election and the tabulation of votes. https://www.pgasompo.com.ph/wp-content/uploads/2020/05/Revised-Notice-of-Annual-Stockholders-Meeting-May-28.pdf
A.3.5	Do the minutes of the most recent AGM record that there was an opportunity allowing for shareholders to ask questions or raise issues?	OECD Principle II (C): (2) Shareholders should have the opportunity to ask questions to the board, including questions relating to the annual external audit, to place items on the agenda of general meetings, and to propose resolutions, subject to reasonable limitations.	Y	Please see Minutes of the Annual Stockholders' Meeting. https://www.pgasompo.com.ph/wp-content/uploads/2019/12/PGA-SOMPO_MINUTES_Annual-Stockholders-Meeting_2020_05_28.pdf
A.3.6	Do the minutes of the most recent AGM record questions and answers?		Y	Please see Minutes of the Annual Stockholders' Meeting. https://www.pgasompo.com.ph/wp-content/uploads/2019/12/PGA-SOMPO_MINUTES_Annual-Stockholders-Meeting_2020_05_28.pdf
A.3.7	Does the disclosure of the outcome of the most recent AGM include resolution(s)?		Y	Please see Minutes of the Annual Stockholders' Meeting, items nos. 3, 4, 7, 9 and 10. https://www.pgasompo.com.ph/wp-content/uploads/2019/12/PGA-SOMPO_MINUTES_Annual-Stockholders-Meeting_2020_05_28.pdf
A.3.8	Does the company disclose the voting results including approving, dissenting, and abstaining votes for each agenda item for the most recent AGM?		Y	Please see Minutes of the Annual Stockholders' Meeting, items nos. 3, 4, 7, 9 and 10. https://www.pgasompo.com.ph/wp-content/uploads/2019/12/PGA-SOMPO_MINUTES_Annual-Stockholders-Meeting_2020_05_28.pdf

A.3.9	Does the company disclose the list of board members who attended the most recent AGM?	OECD Principle II (C); and ICGN 2.4.2: All directors need to be able to allocate sufficient time to the board to perform their responsibilities effectively, including allowing some leeway for occasions when greater than usual time demands are made.	Y	Please see Minutes of the Annual Stockholders' Meeting, page 1, and Annex A. https://www.pgasompo.com.ph/wp-content/uploads/2019/12/PGA-SOMPO_MINUTES_Annual-Stockholders-Meeting_2020_05_28.pdf
A.3.10	Did the chairman of the board of directors/commissioners attend the most recent AGM?		Y	Please see Minutes of the Annual Stockholders' Meeting, page 1, and Annex A. https://www.pgasompo.com.ph/wp-content/uploads/2019/12/PGA-SOMPO_MINUTES_Annual-Stockholders-Meeting_2020_05_28.pdf
A.3.11	Did the CEO/Managing Director/President attend the most recent AGM?		Y	Please see Minutes of the Annual Stockholders' Meeting, page 1, and Annex A. https://www.pgasompo.com.ph/wp-content/uploads/2019/12/PGA-SOMPO_MINUTES_Annual-Stockholders-Meeting_2020_05_28.pdf
A.3.12	Did the chairman of the Audit Committee attend the most recent AGM?		Y	Please see Minutes of the Annual Stockholders' Meeting, page 1, and Annex A. https://www.pgasompo.com.ph/wp-content/uploads/2019/12/PGA-SOMPO_MINUTES_Annual-Stockholders-Meeting_2020_05_28.pdf

A.3.13	Did the company organise their most recent AGM in an easy to reach location?	OECD Principle II (C)	Y	<p>The Annual Stockholders' Meeting was conducted via video conference, as authorized by Securities and Exchange Commission, due to Health and Safety Reasons relating to the COVID-19 Disease.</p> <p>Please see Minutes of the Annual Stockholders' Meeting.</p> <p>https://www.pgasompo.com.ph/wp-content/uploads/2019/12/PGA-SOMPO_MINUTES_Annual-Stockholders-Meeting_2020_05_28.pdf</p>
A.3.14	Does the company allow for voting in absentia?	OECD Principle II (C): (4) Shareholders should be able to vote in person or in absentia, and equal effect should be given to votes whether cast in person or in absentia.	Y	<p>Article 1, Section 6 of the 2015 Amended By-Laws provides that every stockholder entitled to vote may vote personally or by proxy.</p> <p>https://www.pgasompo.com.ph/wp-content/uploads/2019/12/PGA-SOMPO_2015-Amended-By-Laws.pdf</p> <p>Proxy Form is attached to the Notice of the Annual Stockholders Meeting.</p> <p>https://www.pgasompo.com.ph/wp-content/uploads/2020/05/Revised-Notice-of-Annual-Stockholders-Meeting-May-28.pdf</p>
A.3.15	Did the company vote by poll (as opposed to by show of hands) for all resolutions at the most recent AGM?	OECD Principle II (C)	Y	<p>Prior to election, the Corporate Secretary explains the procedure that will be followed in the actual election and the tabulation of votes.</p> <p>https://www.pgasompo.com.ph/wp-content/uploads/2020/05/Revised-Notice-of-Annual-Stockholders-Meeting-May-28.pdf</p> <p>Please see Minutes of the Annual Stockholders' Meeting, items nos. 3, 4, 7, 9 and 10.</p>

				https://www.pgasompo.com.ph/wp-content/uploads/2019/12/PGA-SOMPO_MINUTES_Annual-Stockholders-Meeting_2020_05_28.pdf
A.3.16	Does the company disclose that it has appointed an independent party (scrutineers/inspectors) to count and/or validate the votes at the AGM?			Y Please see Minutes of the Annual Stockholders' Meeting, page 1. https://www.pgasompo.com.ph/wp-content/uploads/2019/12/PGA-SOMPO_MINUTES_Annual-Stockholders-Meeting_2020_05_28.pdf
A.3.17	Does the company make publicly available by the next working day the result of the votes taken during the most recent AGM for all resolutions?	OECD Principle II (C): (1) Shareholders should be furnished with sufficient and timely information concerning the date, location and agenda of general meetings, as well as full and timely information regarding the issues to be decided at the meeting.		N Please see Minutes of the Annual Stockholders' Meeting. https://www.pgasompo.com.ph/wp-content/uploads/2019/12/PGA-SOMPO_MINUTES_Annual-Stockholders-Meeting_2020_05_28.pdf
A.3.18	Do companies provide at least 21 days notice for all resolutions?			Y Please see Notice of the Annual Stockholders' Meeting. https://www.pgasompo.com.ph/wp-content/uploads/2020/05/Revised-Notice-of-Annual-Stockholders-Meeting-May-28.pdf
A.3.19	Does the company provide the rationale and explanation for each agenda item which require shareholders' approval in the notice of AGM/circulars and/or the accompanying statement?			Y Please see Notice of the Annual Stockholders' Meeting. https://www.pgasompo.com.ph/wp-content/uploads/2020/05/Revised-Notice-of-Annual-Stockholders-Meeting-May-28.pdf

A.4 Markets for corporate control should be allowed to function in an efficient and transparent manner.				
A.4.1	In cases of mergers, acquisitions and/or takeovers requiring shareholders approval, does the board of directors/commissioners of the offeree company appoint an independent party to evaluate the fairness of the transaction price?	OECD Principle II (E): Markets for corporate control should be allowed to function in an efficient and transparent manner. (1) The rules and procedures governing the acquisition of corporate control in the capital markets, and extraordinary transactions such as mergers, and sales of substantial portions of corporate assets, should be clearly articulated and disclosed so that investors understand their rights and recourse. Transactions should occur at transparent prices and under fair conditions that protect the rights of all shareholders according to their class.	Y	It is the Company's practice, as minimum requirement, to appoint an independent party to evaluate the fairness of the transaction price in cases of mergers, acquisition and/or takeovers.

A.5 The exercise of ownership rights by all shareholders, including institutional investors, should be facilitated.				
A.5.1	Does the Company publicly disclose policy/practice to encourage shareholders including institutional shareholders to attend the general meetings or engagement with the Company?	OECD Principle II (F): The exercise of ownership rights by all shareholders, including institutional investors, should be facilitated.	Y	Item 5 of the Manual on Corporate Governance provides for Reportorial or Disclosure System of Company's Corporate Governance Policies. https://www.pgasompo.com.ph/wp-content/uploads/2019/12/PGA-SOMPO_Manual-on-Corporate-Governance.pdf