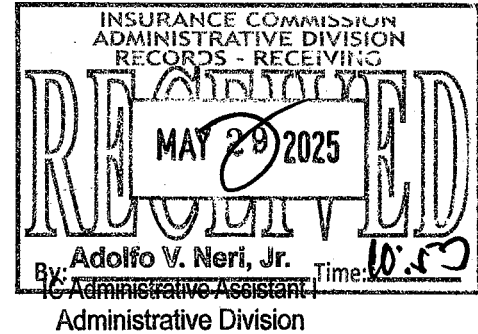


15 May 2025

**Hon. REYNALDO A. REGALADO**  
**Commissioner**  
Insurance Commission,  
1071 United Nations Avenue, Manila



**Thru: Corporate Governance Unit**

Dear Commissioner Regalado,

**SUBJECT: 2024 ANNUAL CORPORATE GOVERNANCE REPORT (ACGR)**

In compliance with the requirement of IC Circular No. 2020-72 dated 13 June 2020, CORPORATE GUARANTEE & INSURANCE COMPANY, INCORPORATED doing business under the name and style of CORPORATE GUARANTEE (A Non-Life Insurance Company) (Corporate Guarantee for brevity), hereby submits the attached 2024 Annual Corporate Governance Report (ACGR). The same shall be posted at the company's website within five (5) days from submission hereto.

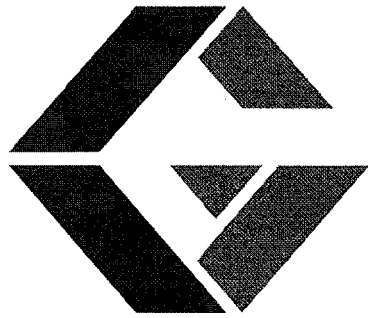
We hereby request that our compliance be duly noted.

Thank you.

Sincerely,

  
**MERCEDES M. LIMSON**  
Chief Operating Officer

# **Annual Corporate Governance Report (ACGR)**



**Corporate  
Guarantee**  
(A NON-LIFE INSURANCE COMPANY)

*"We Value Our Commitment."*

**For Fiscal Year 2024**

2nd Floor, CGIC Building, Jose Abad Santos Avenue, San  
Jose, San Fernando City, Pampanga 2000  
+63 (45) 961-222  
[www.corporateguarantee.com.ph/](http://www.corporateguarantee.com.ph/)

## 2024 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 and sustainability of the corporation in a manner consistent with its corporate objectives and the long-term best interests of its shareholders and other stakeholders.			
Recommendation 1.1			
1. Board is composed of directors with collective working knowledge, experience or expertise that is relevant to the company's industry/sector.	COMPLIANT	Provide information or link/reference to a document containing information on the following:  1. Academic qualifications, industry knowledge, professional experience, expertise and relevant trainings of directors  2. Qualification standards for directors to facilitate the selection of potential nominees and to serve as benchmark for the evaluation of its performance	Refer to Annex B: Board of Directors - Composition.
2. Board has an appropriate mix of competence and expertise	COMPLIANT		Refer to Annex B: Board of Directors - Composition.
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		Refer to Annex B: Board of Directors - Composition.
Recommendation 1.2			
1. Board is composed of majority of non-executive directors.	COMPLIANT	Identify or provide link/reference to a document identifying the directors and the type of their directorships	Company has a dedicated operational Management Team, separate and distinct from the Board. The Management Team is responsible for the day-to-day operations of the organization. Refer to Annex B: Board of Directors - Composition, and Annex C: Officers - Composition.
Recommendation 1.3			
1. Company provides in its Board Charter or Manual on Corporate Governance a policy on training of directors.	COMPLIANT	Provide link or reference to the company's Board Charter or Manual on Corporate Governance relating to its policy on training of directors.	Company's updated Manual on Corporate Governance includes guideline on learning and development programs for continuous professional development. Members of the Board and employees shall engage themselves to participate in relative orientation, workshop, seminar and refresher course to keep the workforce informed on latest learnings provided either by internal and/or external experts. Refer to the Company's Manual on Corporate Governance.
2. Company provides in its Board Charter or Manual on Corporate Governance an orientation program for firsttime directors.	COMPLIANT	Provide information or link or 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.	Company's updated manual on corporate governance includes guideline on learning and development programs for continuous professional development. Members of the Board and employees shall engage themselves to participate in relative orientation, workshop, seminar and refresher course to keep the workforce informed on latest learnings provided either by internal and/or external experts. Refer to the Company's Manual on Corporate Governance and Code of Conduct (or MCG, for brevity).
3. Company has relevant annual continuing training for all directors.	COMPLIANT		Company's Manual on Corporate Governance provides that training interval is propound on annual basis or at any time a relative orientation, workshop, seminar and refresher course is proposed and deemed necessary.Refer to the Company's Manual on Corporate Governance.
Recommendation 1.4			

1. Board has a policy on board diversity.	COMPLIANT	Provide information on or link/reference to a document containing information on the company's board diversity policy.  Indicate gender composition of the board.	Company acknowledges concept of Board diversity as evidenced by the gender composition among the members which is officially composed of four (4) Female Directors, four (4) Male Directors, including a male Independent Director. Refer to Annex B: Board of Directors Composition.
<b>Recommendation 1.5</b>			
1. Board is assisted in its duties 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.	Board is assisted by a Corporate Secretary with defined qualifications and functions declared in the corporation's by-laws. Please refer to Annex C: Officers Composition and Amended By-Laws.
2. Corporate Secretary is a separate individual from the Compliance Officer.	COMPLIANT		Corporate Secretary is a separate individual from the Compliance Officer. Refer to Annex C: Officers - Composition.
3. Corporate Secretary is not a member of the Board of Directors.	COMPLIANT		Board is assisted by a Corporate Secretary. The Corporate Secretary is not a member of the Board. Refer to Annex B: Board of Directors - Composition and Annex C: Officers - Composition.
4. Corporate Secretary attends training/s on corporate governance.	COMPLIANT	Provide information on or link/reference to a document containing information on the corporate governance training attended, including number of hours and topics covered.	Corporate Secretary attended training seminars. Refer to Annex D: List of Trainings/Seminars attended.
<b>Recommendation 1.6</b>			
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.	Board is assisted by a Compliance Officer. Refer to Annex C: Officers - Composition.
2. Compliance Officer has a rank of Vice President or an equivalent position with adequate stature and authority in the corporation.	COMPLIANT		The OIC-Chief Operating Officer with the rank of Executive Vice-President was appointed as Compliance Officer. Refer to Annex C: Officers - Composition.
3. Compliance Officer is not a member of the board.	COMPLIANT		The Compliance Officer is not a member of the Board. His performance of the COO is subjected to periodical performance assessment.
4. Compliance Officer attends training/s on the corporate governance annually.	NON-COMPLIANT	Provide information on or link/reference to a document containing information on the corporate governance training attended, including number of hours and topics covered.	Considering that the Compliance Officer was recently appointed, the management will ensure that the Compliance Officer will participate in corporate governance trainings.
<b>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.</b>			
<b>Recommendation 2.1</b>			

1. Directors act on a fully informed basis, in good faith, with due diligence and care, and in the best interest of the company.	COMPLIANT	Provide information or reference to a document containing information on how the directors performed this function (can include board resolutions, minutes of meeting)	Board approval was sought on material transactions involving internal and external interested parties, such as Insurance Commission and other regulators. To illustrate, Board approved the appointment of authorized signatories of all bonds issued by the corporation. Refer to Annex E: List of Authorized Signatories.
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)  Indicate frequency or review of business objectives and strategy	Board approval was sought on company's designation of authorized signatories for all lines of insurance policies issued by the corporation. Business review and strategic planning is held annually, however, periodic reviews are conducted as deemed necessary.
2. Board oversees and monitors the implementation of the company's business objectives and strategy in order to sustain the company's long-term viability and strength.	COMPLIANT		Board is appraised by the management/executive officers on company's objectives and strategies through reporting on requested interval. All relative operation and financial reports are made available for corresponding output review. To illustrate, the Board approved the appointment of authorized signatory in the execution of authenticity of corporation's inventory of assets.
Recommendation 2.3			
1. Board is headed by a competent and qualified Chairperson.	COMPLIANT	Provide information or reference to a document containing information on the Chairperson, including his/her name and qualifications	Information is provided as reference containing areas of expertise/experience and affiliations of the Chairman of the Board. Refer to Annex B: Board of Directors - Composition.
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 and retirement policies and programs, and its implementation	Amended By-Laws of the Corporation has guidelines on any vacancy occurring in the Board of Directors. Refer to information on Article III, Sec. 3 of the Amended By-Laws.
2. Board adopts a policy on the retirement for directors and key officers.	COMPLIANT		Among the express powers of the Board mandated in the Amended By-Laws of the Corporation is the establishment of retirement plans for employees. Refer to information on Article III, Sec. 1 (i) of the Amended By-Laws.
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.	Amended By-Laws of the Corporation has guidelines on compensation of key officers and Board members. Refer to information on Article IV, Sec. 15 and Article III, Sec. 9 of the Amended By-Laws.
2. Board aligns the remuneration of key officers and board members with long-term interests of the company.	COMPLIANT		Amended By-Laws of the Corporation has guidelines on compensation of key officers and board members. Refer to information on Article IV, Sec. 15 and Article III, Sec. 9 of the Amended By-Laws.
3. Directors do not participate in discussions or deliberations involving his/her own remuneration	COMPLIANT		Board compensation is determined and apportioned among the members in such a manner that is deemed proper, and subject to approval of stockholders representing at least a majority of the outstanding capital stock at a regular or special meeting of the stockholders. Refer to information on Article III, Sec. 9 of the Amended By-Laws.
Recommendation 2.6			
1. Board has a formal and transparent board nomination and election policy.	COMPLIANT	Provide information or link/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.	Shareholders may exercise their rights to nominate and vote candidates in regular annual meetings. Amended By-Laws of the Corporation has guidelines on election, term and vacancies among the Board members. Refer to information on Article III, Secs. 2 and 3 of the Amended By-Laws.

2. Board nomination and election policy is disclosed in the company's Manual on Corporate Governance.	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.	Guidelines on Board members' qualification, election and nomination are disclosed on company's Manual on Corporate Governance and Amended By-Laws. Said guidelines may be further assessed for enhancement and applicability, if deemed necessary. Refer to posted Manual on Corporate Governance at company's website. Refer to www.corporateguarantee.com.ph
3. Board nomination and election policy includes how the company accepts nominations from minority shareholders.	COMPLIANT		Shareholders may exercise their rights to nominate and vote candidates in regular annual meetings. Amended By-Laws of the Corporation has guidelines on election, term and vacancies among the Board members. Refer to information on Article III , Secs. 2 and 3 of the Amended By-Laws.
4. Board nomination and election policy include how the board reviews nominated candidates.	COMPLIANT		Shareholders may exercise their rights to nominate and vote candidates in regular annual meetings. Amended By-Laws of the Corporation has guidelines on election, term and vacancies among the Board members. Refer to information on Article III , Secs. 2 and 3 of the Amended By-Laws.
5. Board nomination and election policy include an assessment of the effectiveness of the Board's processes in the nomination, election or replacement of a director.	COMPLIANT		Guidelines on Board members' qualification, election and nomination are disclosed on company's Manual on Corporate Governance and Amended By-Laws. Said guidelines shall be further assessed for enhancement and applicability, if deemed necessary. Refer to posted Manual on Corporate Governance at company's website and Article III , Secs. 2 and 3 of the Amended By-Laws.
6. Board has a process for identifying the quality of directors that is aligned with the strategic direction of the company.	COMPLIANT		Guidelines on Board members' qualification, election and nomination are disclosed on company's Manual on Corporate Governance and Amended By-Laws. Said guidelines shall be further assessed for enhancement and applicability, if deemed necessary. Refer to posted Manual on Corporate Governance at company's website and Article III , Secs. 2 and 3 of the Amended By-Laws.
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.	NON-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.  Identify transactions that were approved pursuant to the policy.	Company is a separate and independent entity and the necessity of formulating company policy on matter of RPTs shall be assessed accordingly following provided regulatory guidelines. Refer to Information on IC CL 2017-29.
2. RPT policy includes appropriate review and approval of material RPTs, which guarantee fairness and transparency of the transactions.	NON-COMPLIANT		Company is a separate and independent entity and the necessity of formulating company policy on matter of RPTs shall be assessed accordingly following provided regulatory guidelines. Refer to Information on IC CL 2017-29.
3. RPT policy encompasses all entities within the group, taking into account their size, structure, risk profile and complexity of operations.	NON-COMPLIANT		Company is a separate and independent entity and the necessity of formulating company policy on matter of RPTs shall be assessed accordingly following provided regulatory guidelines. Refer to Information on IC CL 2017-29.
Recommendation 2.8			
1. Board is primarily responsible for approving the selection of Management led by the Chief Executive Officer (CEO) and the heads of the other control functions (Chief Risk Officer, Chief Compliance Officer and Chief Audit Executive).	COMPLIANT	Provide information on or reference to a document containing the Board's policy and responsibility for approving the selection of management.  Identify the Management team appointed.	Reference on the composition of Management Team recognized and approved by the Board through the Chairman. Refer to Annex C: Officers -Composition.

2. Board is primarily responsible for assessing the performance of Management led by the Chief Executive Officer (CEO) and the heads of the other control functions (Chief Risk Officer, Chief Compliance Officer and Chief Audit Executive).	COMPLIANT	Provide information on or reference to a document containing the Board's policy and responsibility for assessing the performance of management.  Provide information on the assessment process and indicate frequency of assessment of performance.	Amended By-Laws of the Corporation provides that among the express powers of the Board is the management of business and affairs, the integral part of which is the performance assessment of the officers and/or Management Team through conduct of regular performance appraisal. Refer to information on Article III, Sec. 1 of the Amended By-Laws.
<b>Recommendation 2.9</b>			
1. Board establishes an effective performance management framework that ensures that Management, including the Chief Executive Officer performance is at par with the standards set by the Board and Senior Management.	COMPLIANT	Provide information on or link/reference to a document containing the Board's performance management framework for management and personnel.	Each employee from rank and file to officer level is regularly assessed of performance based on set key performance indicator f for relative evaluation and discussion . Aligned with Board's power of management of business and affairs, through conduct of regular performance appraisal. Refer to information on Article III, Sec. 1 of the Amended By-Laws.
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		Each employee from rank and file to officer level is regularly assessed of performance based on set key performance indicator f for relative evaluation and discussion . Aligned with Board's power of management of business and affairs, through conduct of regular performance appraisal. Refer to information on Article III, Sec. 1 of the Amended By-Laws.
<b>Recommendation 2.10</b>			
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.	The mandate of the Internal Audit Committee is to 1) monitor and assure operational compliance and 2) improve effectiveness of risk management through compliance checks embodied in its charter. Refer to information on Internal Audit Charter.
2. The internal control system includes a mechanism for monitoring and managing potential conflict of interest of the Management, members and shareholders.	COMPLIANT		The mandate of the Internal Audit Committee is to 1) monitor and assure operational compliance and 2) improve effectiveness of risk management through compliance checks embodied in its charter. Refer to information on Internal Audit Charter.
3. Board approves the Internal Audit Charter.	COMPLIANT	Provide reference or link to the company's Internal Audit Charter	Refer to information on Internal Audit Charter approved by then Chairman of the Board.
<b>Recommendation 2.11</b>			
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	Provide information on or link/reference to a document showing the Board's oversight responsibility on the establishment of a sound enterprise risk management framework and how the board was guided by the framework.  Provide proof of effectiveness of risk management strategies, if any	Amended By-Laws of the corporation provides that among the express powers of the Board is the management of the company's business and affairs, the integral part of which is the operational risk management through internal audit assessment of various processes. Refer to information on Article III, Sec. 1 of the Amended By-Laws.
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		Provided in the company's Quality Manual that a periodic assessment and deliberation of performance and business risk are required to be cascaded to the operational units and that corresponding Board approval shall be sought prior material decision making and implementation. Refer to information on Quality Manual on Management Review Inputs and outputs.
<b>Recommendation 2.12</b>			
1. Board has a Board Charter that formalizes and clearly states its roles, responsibilities and accountabilities in carrying out its fiduciary duties.	COMPLIANT	Provide link to the company's website where the Board Charter is disclosed.	Amended By-Laws of the Corporation, as its charter, mandates the express powers of the Board. Refer to information on Article III , Sec. 1 of the Amended By-Laws.
2. Board Charter serves as a guide to the directors in the performance of their functions.	COMPLIANT		Amended By-Laws of the Corporation, as its charter, mandates the express powers of the Board. Refer to information on Article III , Sec. 1 of the Amended By-Laws.
3. Board Charter is publicly available and posted on the company's website.	COMPLIANT		Refer to Corporation's Amended By-Laws posted at company's website: <a href="http://www.corporateguarantee.com.ph">www.corporateguarantee.com.ph</a> , About us -> Corporate Governance.

<b>Principle 3:</b> 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.			
<b>Recommendation 3.1</b>			
1. Board establishes board committees that focus on specific board functions to aid in the optimal performance of its roles and responsibilities.	COMPLIANT	Provide information on or link/reference to a document containing information on all the board committees established by the company	The mandate of the Internal Audit Committee is to 1) monitor and assure operational compliance and 2) improve effectiveness of risk management through compliance checks embodied in its charter. Refer to information on Internal Audit Charter.
<b>Recommendation 3.2</b>			
1. Board establishes an Audit Committee to enhance its oversight capability over the company's financial reporting, internal control system, internal and external audit processes, and compliance with applicable laws and regulations.	COMPLIANT	Provide information or link/reference to a document containing information on the Audit Committee, including its functions.  Indicate if it is the Audit Committee's responsibility to recommend the appointment and removal of the company's external auditor.	The mandate of the Internal Audit Committee is to 1) monitor and assure operational compliance and 2) improve effectiveness of risk management through compliance checks embodied in its charter. Refer to information on Internal Audit Charter.
2. Audit Committee is composed of at least three appropriately qualified non-executive directors, the majority of whom, including the Chairman is independent.	COMPLIANT	Provide information or link/reference to a document containing information on the members of the Audit Committee including their qualifications and type of directorship.	The Committee Chairman is not a member of the Board. Refer to provided information on areas of expertise/experience and affiliations of some members of the Audit Committee. Annex F: Audit Committee Composition.
3. All the members of the committee have relevant background, knowledge, skills and/or experience in the areas of accounting, auditing and finance.	COMPLIANT	Provide information or link/reference to a document containing information on the background, knowledge, skills, and/or experience of the members of the Audit Committee.	Refer to Annex F: Audit Committee Composition.
4. The Chairman of the Audit Committee is not the Chairman of the Board or any other Committee.	COMPLIANT	Provide information or link/reference to a document containing information on the Chairman of the Audit Committee.	The Committee Chairman is not a member of the Board or any committee.
<b>Recommendation 3.3</b>			
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.	NON-COMPLIANT	Provide information or reference to a document containing information on the Corporate Governance Committee, including its functions  Indicate if the Committee undertook the process of identifying the quality of directors aligned with the company's strategic direction, if applicable.	Board and/or Senior Management shall evaluate the necessity of creating a corporate governance committee primarily to assist the Board in the creation and performance of policies on good corporate governance.
2. Corporate Governance Committee is composed of at least three members, majority of whom should be independent directors	NON-COMPLIANT	Provide information or link/reference to a document containing information on the of the members of the Corporate Governance Committee, including their qualifications and type of directorship.	Board and/or Senior Management shall evaluate the necessity of creating a corporate governance committee primarily to assist the Board in the creation and performance of policies on good corporate governance.
3. Chairman of the Corporate Governance Committee is an independent director	NON-COMPLIANT	Provide information or link/reference to a document containing information on the Chairman of the Corporate Governance Committee.	Board and/or Senior Management shall evaluate the necessity of creating a corporate governance committee primarily to assist the Board in the creation and performance of policies on good corporate governance.
<b>Recommendation 3.4</b>			



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.	NON-COMPLIANT	Provide information on or link/reference to a document containing information on the Board Risk Oversight Committee (BROC), including its functions	The Board entrusts to the internal audit team to monitor and assure operational compliance and improve effectiveness of risk management through compliance check embodied in its charter. Refer to information on Internal Audit Charter. The company guarantees that compliance will be made subsequently upon further review and assessment of the Board.
2. BROC is composed of at least three members, the majority of whom should be independent directors, including the Chairman.	NON-COMPLIANT	Provide information or link/reference to a document containing information on the of the members of the BROC, including their qualifications and type of directorship.	The Board entrusts to the internal audit team to monitor and assure operational compliance and improve effectiveness of risk management through compliance check embodied in its charter. Refer to information on Internal Audit Charter. The company guarantees that compliance will be made subsequently upon further review and assessment of the Board.
3. The Chairman of the BROC is not the Chairman of the Board or any other committee.	NON-COMPLIANT	Provide information or link/reference to a document containing information on the Chairman of the BROC	Refer to information on the appointment letter of the Chairman of the Audit Committee duly signed by the Chairman of the Board. The Committee Chairman is not a member of the Board. The company guarantees that compliance will be made subsequently upon further review and assessment of the Board.
4. At least one member of the BROC has relevant thorough knowledge and experience on risk and risk management.	NON-COMPLIANT	Provide information or link/reference to a document containing information on the background, skills, and/or experience of the members of the BROC.	Refer to information on the appointment letter of the Chairman of the Audit Committee duly signed by the Chairman of the Board. The Committee Chairman is not a member of the Board. The company guarantees that compliance will be made subsequently upon further review and assessment of the Board.
<b>Recommendation 3.5</b>			
1. The Board establishes a Related Party Transactions (RPT) Committee, which is tasked with reviewing all material related party transactions of the company.	NON-COMPLIANT	Provide information or link/reference to a document containing information on the Related Party Transactions (RPT) Committee, including its functions	Company is a separate and independent entity and the necessity of formulating company policy on matter of RPTs shall be assessed accordingly for relative concerns following guidelines provided on RPTs. Refer to Information on IC CL 2017-29. The company guarantees that compliance will be made subsequently upon further review and assessment of the Board.
2. RPT Committee is composed of at least three non-executive directors, majority of whom should be independent, including the Chairman.	NON-COMPLIANT	Provide information or link/reference to a document containing information on the of the members of the RPT Committee, including their qualifications and type of directorship.	Company is a separate and independent entity and the necessity of formulating company policy on matter of RPTs shall be assessed accordingly for relative concerns following guidelines provided on RPTs. Refer to Information on IC CL 2017-29. The company guarantees that compliance will be made subsequently upon further review and assessment of the Board.
<b>Recommendation 3.6</b>			
1. All established committees have Committee Charters stating in plain terms their respective purposes, memberships, structures, operations, reporting process, resources and other relevant information	COMPLIANT	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.	The mandate of the Internal Audit Committee is to 1) monitor and assure operational compliance and 2) improve effectiveness of risk management through compliance checks embodied in its charter. Refer to information on Internal Audit Charter.
2. Committee Charters provide standards for evaluating the performance of the Committees.	COMPLIANT		The mandate of the Internal Audit Committee is to 1) monitor and assure operational compliance and 2) improve effectiveness of risk management through compliance checks embodied in its charter. Refer to information on Internal Audit Charter.
3. Committee Charters were fully disclosed on the company's website.	COMPLIANT	Provide link/reference to company's website where the Committee Charters are disclosed.	Refer to Internal Audit Charter. Refer to <a href="http://www.corporateguarantee.com.ph">www.corporateguarantee.com.ph</a> , About us -> Corporate Governance.
<b>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.</b>			
<b>Recommendation 4.1</b>			

1. The Directors attend and actively participate in all meetings of the Board, Committees and shareholders in person or through tele-/videoconferencing conducted in accordance with the rules and regulations of the Commission.	COMPLIANT	Provide information or link/reference to a document containing information on the process and procedure for tele/videoconferencing board and/or committee meetings.  Provide information or link/reference to a document containing information on the attendance and participation of directors to Board, Committee and shareholders' meetings.	Directors, stockholders and officers attended the recent annual meeting. Refer to Minutes of the 2024 Joint Annual Meeting of the Stockholders and Organizational Meeting of the Board of Directors. <a href="http://www.corporateguarantee.com.ph">www.corporateguarantee.com.ph</a> , About us -> Corporate Governance.
2. The directors review meeting materials for all Board and Committee meetings.	COMPLIANT		Directors, stockholders, and officers were notified of the annual meeting. Refer to Notice of the 2024 Joint Annual Meeting of the Stockholders and Organizational Meeting of the Board of Directors. with stated agenda and dated 30 days prior the meeting. <a href="http://www.corporateguarantee.com.ph">www.corporateguarantee.com.ph</a> , About us -> Corporate Governance.
3. The directors asks the necessary questions or seek clarifications and explanations during the Board and Committee meetings.	COMPLIANT	Provide information or link/reference to a document containing information on any questions raised or clarification/explanation sought by the directors.	Directors may freely ask or inquire for clarification on any agenda that needs evaluation, presentation of objective evidence or for further discussion. Refer to Notice of the 2024 Joint Annual Meeting of the Stockholders and Organizational Meeting of the Board of Directors.
<b>Recommendation 4.2</b>			
1. Non-executive directors concurrently serve as directors to a maximum of five Insurance Commission Regulated Entities (ICREs) and publicly-listed companies to ensure that they have sufficient time to fully prepare for meetings, challenge Management's proposals/views, and oversee the long-term strategy of the company.	COMPLIANT	Disclose if the company has a policy setting the limit of board seats that a non-executive director can hold simultaneously.  Provide information or reference to a document containing information on the directorships of the company's directors in both listed and non-listed companies.	No such engagement by any member of the Board to other Insurance Commission Regulated Entities or publicly listed companies. A related policy is provided on company's Manual on Corporate Governance posted at the website. <a href="http://www.corporateguarantee.com.ph">www.corporateguarantee.com.ph</a> , About us -> Corporate Governance.
<b>Recommendation 4.3</b>			
3. The directors notify the company's board where he/she is an incumbent director before accepting a directorship in another company.	COMPLIANT	Provide copy of written notification to the board or minutes of board meeting wherein the matter was discussed.	As a matter of principle, this has been a standing rule among members of the Board. A related policy is provided on company's Manual on Corporate Governance posted at the website. <a href="http://www.corporateguarantee.com.ph">www.corporateguarantee.com.ph</a> , About us -> Corporate Governance.
<b>Principle 5: The board should endeavor to exercise an objective and independent judgement on all corporate affairs.</b>			
<b>Recommendation 5.1</b>			
1. The Board is composed of at least twenty percent (20%) independent directors.	COMPLIANT	Provide information or link/reference to a document containing information on the number of Independent directors in the board.	Refer to Annex 8: Board of Directors - Composition.
<b>Recommendation 5.2</b>			
1. The independent directors possess all the necessary qualifications and none of the disqualifications to hold the position.	COMPLIANT	Provide information or link/reference to a document showing the years IDs have served as such.	Company adheres to the guidelines provided under the rules on independent directors. Refer to information under IC CL 2018-36.
<b>Recommendation 5.3</b>			
1. The independent directors serve for a maximum cumulative term of nine (9) years.  As far as Insurance Companies are concerned, the foregoing term limit shall be reckoned from 02 January 2015 while the reckoning date for the Pre-Need companies and Health Maintenance Organizations shall be from 21 September 2016.  For other covered entities, all previous terms served by existing Independent Directors prior the effectivity of this Circular shall not be included in the application of the term limit prescribed in this item.	COMPLIANT	Provide information or link/reference to a document showing the years IDs have served as such.	Company adheres to the rules on independent directors as to number of seats, qualifications and term limits following the maximum cumulative term of nine (9) years commencing on January 2, 2015 and ending on January 2024. Refer to Information on IC CL 2018-36.
2. The company bars an independent director from serving in such capacity after the term limit of nine (9) years.	COMPLIANT	Provide information or link/reference to a document containing information on the company's policy on term limits for its independent director.	Company adheres to the rules on independent directors as to number of seats, qualifications and term limits following the maximum cumulative term of nine (9) years commencing on January 2, 2015 and ending on January 2024. Refer to Information on IC CL 2018-36.

3. In the instance that the company will retain an independent director in the same capacity after nine (9) years, the board submit to the Insurance Commission a formal written justification and seek shareholders' approval during the annual shareholders' meeting.	COMPLIANT	Provide proof on submission of a formal written justification to the Insurance Commission and proof of shareholders' approval during the annual shareholders' meeting.	Company adheres to the rules on independent directors as to number of seats, qualifications and term limits following the maximum cumulative term of nine (9) years commencing on January 2, 2015 and ending on January 2024. Refer to Information on IC CL 2018-36.
<b>Recommendation 5.4</b>			
1. The positions of Chairman of the Board and Chief Executive Officer are held by separate individuals.	NON-COMPLIANT	Identify the company's Chairman of the Board and Chief Executive Officer	Refer to Board Composition.
2. The Chairman of the Board and Chief Executive Officer have clearly defined responsibilities.	COMPLIANT	Provide information or link/reference to a document containing information on the roles and responsibilities of the Chairman of the Board and Chief Executive Officer.  Identify relationship of Chairman and CEO.	Amended By-Laws allows that any two (2) positions may be held concurrently by same person, except that no one shall act as President and Treasurer or Secretary at the same time. Refer to information on Article IV, Secs. 1 to 12 of the Amended By-Laws on Officers' powers.
<b>Recommendation 5.5</b>			
1. If the Chairman of the Board is not an independent director or where the roles of the Chairman and CEO are being held by one person, the Board should designate a lead director among the independent directors.	COMPLIANT	Provide information or link/reference to a document containing information on a lead independent director and his roles and responsibilities, if any.  Identify if Chairman is independent.	The Chairman of the Board is not an independent director but performs roles and responsibilities in accordance with the mandate of the corporation's By-laws. Refer to information on Article IV, Secs. 1 to 12 of the Amended By-Laws on Officers' powers and responsibilities.
<b>Recommendation 5.6</b>			
1. Directors with material interest in a transaction affecting the corporation should abstain from taking part in the deliberations for the same.	COMPLIANT	Provide proof of abstention, if this was the case.	No such material transactions has been reported and adheres to company's policy on conflict of interest. Refer to Information on Manual on Corporate Governance as posted at company's website.
<b>Recommendation 5.7</b>			
1. The non-executive directors (NEDs) have separate periodic meetings with the external auditor and heads of the internal audit, compliance and risk functions, without any executive directors present to ensure that proper checks and balances are in place within the company.	COMPLIANT	Provide proof and details of said meeting, if any.  Provide information on the frequency and attendees of meetings.	Members of the Board may call meetings with any unit of the operations team, audit, compliance and others for any concern or for purposes of proper checks and balances within the company. The operational unit consists of executive officers headed by the Chief Operating Officer conducts monthly management meeting. Said recommendation shall be further assessed for enhancement and applicability, if deemed necessary.
2. The meetings are chaired by the lead independent director.	NON-COMPLIANT		Members of the Board may call meetings with any unit of the operations team, audit, compliance and others for any concern or for purposes of proper checks and balances within the company. The operational unit consists of executive officers headed by the Chief Operating Officer conducts monthly management meeting. Said recommendation shall be further assessed for enhancement and applicability, if deemed necessary.
<b>Principle 6: The board should endeavor to exercise an objective and independent judgement on all corporate affairs.</b>			
<b>Recommendation 6.1</b>			
1. The Board conducts an annual assessment of its performance as a whole.	COMPLIANT	Provide proof of annual assessments conducted for the whole board, the individual members, the Chairman and the Committees.	All members of the Board attended the recent annual meeting wherein performance assessments were discussed. Refer to Minutes of the 2024 Joint Annual Meeting of the Stockholders and Organizational Meeting of the Board of Directors. <a href="http://www.corporateguarantee.com.ph">www.corporateguarantee.com.ph</a> , About us -> Corporate Governance.
2. The performance of the Chairman is assessed actually by the Board	COMPLIANT		All members of the Board attended the recent annual meeting wherein performance assessments were discussed. Refer to Minutes of the 2024 Joint Annual Meeting of the Stockholders and Organizational Meeting of the Board of Directors. <a href="http://www.corporateguarantee.com.ph">www.corporateguarantee.com.ph</a> , About us -> Corporate Governance.

3. The performance of the individual members of the Board is assessed annually by the Board.	COMPLIANT		All members of the Board attended the recent annual meeting wherein performance assessments were discussed. Refer to Minutes of the 2024 Joint Annual Meeting of the Stockholders and Organizational Meeting of the Board of Directors. <a href="http://www.corporateguarantee.com.ph">www.corporateguarantee.com.ph</a> , About us -> Corporate Governance.
4. The performance of each committee is assessed annually by the Board.	COMPLIANT		All members of the Board attended the recent annual meeting wherein performance assessments were discussed. Refer to Minutes of the 2024 Joint Annual Meeting of the Stockholders and Organizational Meeting of the Board of Directors. <a href="http://www.corporateguarantee.com.ph">www.corporateguarantee.com.ph</a> , About us -> Corporate Governance.
5. Every three (3) years, the assessments are supported by an external facilitator.	COMPLIANT	Identify the external facilitator and provide proof of use of an external facilitator.	Available internal assessments are being maximized in determining compliance to key performance indicators. However, financial performance is annually assessed by external auditors.
<b>Recommendation 6.2</b>			
1. Board has in place a system that provides, at the minimum, criteria and processes 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.	Employees from rank and file to officer level are regularly assessed for performance based on set key performance indicator for relative evaluation and discussion. Aligned with Board's power of management of business and affairs, through conduct of regular performance appraisal. Refer to information on Article III, Sec. 1 of the Amended By-Laws.
2. The system allows for a feedback mechanism from the shareholders.	COMPLIANT		Majority of shareholders are members of the Board who may exercise assessment for relative evaluation and discussion. Aligned with Board's power of management of business and affairs, through conduct of regular performance appraisal. Refer to information on Article III, Sec. 1 of the Amended By-Laws.
<b>Principle 7: Members of the Board are duty-bound to apply high ethical standards, taking into account the interests of all stakeholders.</b>			
<b>Recommendation 7.1</b>			
1. Board adopts a Code of Business Conduct and Ethics, which provides the standards for professional and ethical behavior, as well as articulate acceptable and unacceptable conduct and practices in internal and external dealings of the company.	COMPLIANT	Provide information or link/reference to the company's Code of Business Conduct and Ethics.	Refer to information on company's Manual on Corporate Governance and Code of Conduct as guidelines on the company's business conduct and work ethics as posted on company's website. Refer to <a href="http://www.corporateguarantee.com.ph">www.corporateguarantee.com.ph</a> , About us -> Corporate Governance.
2. The Code is properly disseminated to the Board, senior management and employees.	COMPLIANT	Provide information on or discuss how the company disseminated the Code to its Board, senior management and employees.	The company has internal system where each employee can access using individual access codes and openly accessible on company's website. Refer to Information on Manual on Corporate Governance and Code of Conduct as posted on company's website. Refer to <a href="http://www.corporateguarantee.com.ph">www.corporateguarantee.com.ph</a>
3. The Code is disclosed and made available to the public through the company website.	COMPLIANT	Provide a link to the company's website where the Code of Business Conduct and Ethics is posted/disclosed.	Refer to Information on Manual on Corporate Governance and Code of Conduct as posted on company's website. Refer to <a href="http://www.corporateguarantee.com.ph">www.corporateguarantee.com.ph</a>
<b>Recommendation 7.2</b>			
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.  Indicate who are required to comply with the Code of Business Conduct and Ethics and any findings on non-compliance.	Board, through the Quality Management Council, conducts a once a year performance evaluation and monitoring of company's internal policies and procedures. Refer to Quality Manual on Performance Evaluation: Internal Audit.
2. Board ensures the proper and efficient implementation and monitoring of compliance with company internal policies.	COMPLIANT		Board, through the Quality Management Council, conducts a once a year performance evaluation and monitoring of company's internal policies and procedures. Refer to Quality Manual on Performance Evaluation: Internal Audit.
<b>Disclosure and Transparency</b>			
<b>Principle 8: The company should establish corporate disclosure policies and procedures that are practical and in accordance with the best practices and regulatory expectations.</b>			
<b>Recommendation 8.1</b>			

1. Board establishes corporate disclosures policies and procedures to ensure a comprehensive, accurate, reliable and timely report to shareholders and other stakeholders that give a fair and complete picture of the company's financial condition, results and business operations.	COMPLIANT	Provide information on or link/reference to the company's disclosure policies and procedures including reports distributed/made available to shareholders and other stockholders.	A once a year management review of the quality system and internal policies is conducted for assessment of results and relative business operations. Also, at an interval deemed necessary by the Board reports are requested for their evaluation. Refer to Quality Manual on Management Review Inputs.
<b>Recommendation 8.3</b>			
1. Board fully discloses all relevant and material information on individual board members to evaluate their experience and qualifications, and assess any potential conflicts of interest that might affect their judgement.	COMPLIANT	Provide link or reference to the director's academic qualifications, share ownership in the company, membership in other boards, other executive positions, professional experiences, expertise and relevant trainings attended.	The company has its policy against conflict of interest that is currently in force which is made known to all for proper adherence. Refer to Manual on Corporate Governance.
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 judgement.	COMPLIANT	Provide link or reference to the key officers' academic qualifications, share ownership in the company, membership in other boards, other executive positions, professional experiences, expertise and relevant trainings attended.	The company has its policy against conflict of interest that is currently in force which is made known to all for proper adherence. Refer to Manual on Corporate Governance.
<b>Recommendation 8.4</b>			
1. Company provides a clear disclosure of its policies and procedures for setting Board remuneration, including the level and mix of the same in the Annual Corporate Governance Report consistent with ASEAN Corporate Governance Scorecard (ACGS) and the Revised Corporation Code.	COMPLIANT	Disclose or provide link/reference to the company policy and practice for setting board remuneration.	Amended By-Laws of the Corporation embodies a specific provision on compensation for members of the Board. Refer to information on Article III, Sec. 9 of the Amended By-Laws.
2. Company provides a clear disclosure of its policies and procedures 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	Disclose or provide link/reference to the company policy and practice for determining executive remuneration.	Amended By-Laws of the Corporation embodies a specific provision on compensation for officers. Refer to information on Article IV, Sec. 15 of the Amended By-Laws.
3. Company discloses the remuneration on an individual basis, including termination and retirement provisions.	NON-COMPLIANT	Provide breakdown of director remuneration and executive compensation, particularly the remuneration of the CEO.	No available disclosure on the topic. In compliance with corporate governance principles, the requirement will be discussed with concerned officers and members of the Board.
<b>Recommendation 8.5</b>			
1. Company discloses its policies governing Related Party Transactions (RPTs) and other unusual or infrequently occurring transactions.	NON-COMPLIANT	Disclose or provide link/reference to \company's RPT policies.  Indicate if the director with conflict of interest abstained from the board discussion on that particular transaction.	Company is a separate and independent entity and the necessity of formulating company policy on matter of RPTs shall be assessed accordingly for relative concerns following the guidelines provided on RPTs. Refer to Information on IC CL 2017-29.
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.	NON-COMPLIANT	Provide information all RPTs for the previous year or reference to a document containing the following information on all RPTs:  1. Name of the related counterparty; 2. Relationship with the party; 3. Transaction date; 4. Type/nature of transaction; 5. Amount or contract price; 6. Terms of the transaction; 7. Rationale for entering into the transaction; 8. The required approval (i.e., names of the board of directors approving, names and percentage of shareholders who approved) based on the company's policy; and 9. Other terms and conditions.	Company is a separate and independent entity and the necessity of formulating company policy on matter of RPTs shall be assessed accordingly for relative concerns following the guidelines provided on RPTs. Refer to Information on IC CL 2017-29.
<b>Recommendation 8.7</b>			

1. Company's corporate governance policies, programs and procedures are contained in its Manual on Corporate Governance (MCG).	COMPLIANT	Provide link to the company's website where the Manual on Corporate Governance is posted.	Refer to information on company's Manual on Corporate Governance and Code of Conduct as guidelines on the company's business conduct and work ethics as posted on company's website. Refer to <a href="http://www.corporateguarantee.com.ph">www.corporateguarantee.com.ph</a> , About us -> Corporate Governance
2. Company's MCG is posted on its company website.	COMPLIANT		Refer to information on company's Manual on Corporate Governance and Code of Conduct as guidelines on the company's business conduct and work ethics as posted on company's website. Refer to <a href="http://www.corporateguarantee.com.ph">www.corporateguarantee.com.ph</a> , About us -> Corporate Governance
<b>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.</b>			
<b>Recommendation 9.1</b>			
1. Audit Committee has a robust process for approving and recommending the appointment, reappointment, removal, and fees of the external auditors.	COMPLIANT	Provide information on 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.	The responsibilities of the Internal Audit Committee include the assessment of external auditor's performance. Refer to the Internal Audit Charter. Refer to <a href="http://www.corporateguarantee.com.ph">www.corporateguarantee.com.ph</a> , About us -> Corporate Governance
2. The appointment, reappointment, removal, and fees of the external auditor is recommended by the Audit Committee, approved by the Board and ratified by the shareholders.	COMPLIANT	Indicate the percentage of shareholders that ratified the appointment, reappointment, removal and fees of the external auditor.	The responsibilities of the Internal Audit Committee include the assessment of external auditor's performance. Refer to the Internal Audit Charter.
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.	NON- COMPLIANT	Provide information on or link/reference to a document containing information the company's reason for removal or change of external auditor.	No available disclosure on the topic. In compliance with corporate governance principles, the requirement will be discussed with concerned officers and members of the Board.
<b>Recommendation 9.2</b>			
1. Audit Committee Charter includes the Audit Committee's responsibility on:  i. assessing the integrity and independence of external auditors; ii. exercising effective oversight to review and monitor the external auditor's independence and objectivity; and iii. exercising effective oversight to review and monitor the effectiveness of the audit process, taking into consideration relevant Philippine professional and regulatory requirements.	COMPLIANT	Provide link/reference to the company's Audit Committee Charter.	Refer to the Internal Audit Charter. Refer to <a href="http://www.corporateguarantee.com.ph">www.corporateguarantee.com.ph</a> , About us -> Corporate Governance
2. Audit Committee Charter contains the Committee's responsibility on reviewing and monitoring the external auditor's suitability and effectiveness on an annual basis.	COMPLIANT	Provide link/reference to the company's Audit Committee Charter.	Refer to the Internal Audit Charter.
<b>Recommendation 9.3</b>			
1. Company discloses the nature of non-audit services performed by its external auditor in the Annual Report to deal with any potential conflict of interest.	COMPLIANT	Disclose the nature of non-audit services performed by the external auditor, if any.	No such non-audit services performed by external auditor.
2. Audit Committee stays alert for any potential conflict of interest situations, given the guidelines or policies on non-audit services, which could be viewed as impairing the external auditor's objectivity.	COMPLIANT	Provide link or reference to guidelines or policies on non-audit services.	Refer to information on Internal Audit Charter.
<b>Principle 10: The company should ensure that the material and reportable non-financial and sustainability issues are disclosed.</b>			
<b>Recommendation 10.1</b>			
1. Board has a clear and focused policy on the disclosure of non-financial information, with emphasis on the management of economic, environmental, social and governance (EESG) issues of its business, which underpin sustainability.	COMPLIANT	Disclose or provide link on the company's policies and practices on the disclosure of non-financial information, including EESG issues.	Company adheres to the principle of confidentiality of information manifested by execution of non-disclosure agreement with related parties involving matters of financial and non-financial information. Refer to Non-Disclosure Agreement/Policy. Refer to <a href="http://www.corporateguarantee.com.ph">www.corporateguarantee.com.ph</a> , About us -> Corporate Governance

2. Company adopts a globally recognized standard/framework in reporting sustainability and non-financial issues.	COMPLIANT	Provide link to Sustainability Report, if any. Disclose the standards used.	CG is ISO 9000:2015 accredited. Refer to information on ISO Certificate. Refer to <a href="http://www.corporateguarantee.com.ph">www.corporateguarantee.com.ph</a> , About us -> Corporate Governance
3. Company recognizes the need for financial resilience towards natural disasters to hasten the recovery of communities after a devastating loss and has participated in the Philippine Catastrophe Insurance Facility (PCIF).	NON-COMPLIANT	Disclose or provide link for the involvement or participation of the company to PCIF.	The company is conducting a review of possible courses of action towards compliance.
<b>Principle 11:</b> 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.			
<b>Recommendation 11.1</b>			
1. The company should have a website to ensure a comprehensive, cost efficient, transparent, and timely manner of disseminating relevant information to the public.	COMPLIANT	Disclose and identify the communication channels used by the company (i.e., website, Analyst's briefing, Media briefings/press conferences, Quarterly reporting, Current reporting, etc.). Provide links, if any.	Refer to company website: <a href="https://corporateguarantee.com.ph">https://corporateguarantee.com.ph</a>
<b>Internal Control System and Risk Management Framework</b>			
<b>Principle 12:</b> To ensure 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.			
<b>Recommendation 12.1</b>			
1. Company has an adequate and effective internal control system in the conduct of its business.	COMPLIANT	List quality service programs for the internal audit functions.  Indicate frequency of review of the internal control system.	The mandate of the Internal Audit Committee is to 1) monitor and assure operational compliance and 2) improve effectiveness of risk management through compliance checks embodied in its charter. Refer to Internal Audit Charter.
2. Company has an adequate and effective enterprise risk management framework in the conduct of its business.	COMPLIANT	Identify international framework used for Enterprise Risk Management.  Provide information or reference to a document containing information on:  1. Company's risk management procedures and processes	The mandate of the Internal Audit Committee is to 1) monitor and assure operational compliance and 2) improve effectiveness of risk management through compliance checks embodied in its charter. Refer to Internal Audit Charter.
<b>Recommendation 12.2</b>			
1. Company has in place an independent internal audit function that provides an independent and objective assurance, and consulting services designed to add value and improve the company's operations.	COMPLIANT	Disclose if the internal audit is in-house or outsourced. If outsourced, identify external firm.	The mandate of the Internal Audit Committee is to 1) monitor and assure operational compliance and 2) improve effectiveness of risk management through compliance checks embodied in its charter. Refer to Internal Audit Charter.
<b>Recommendation 12.3</b>			
1. The company has a qualified Chief Audit Executive (CAE) appointed by the Board.	COMPLIANT	Identify the company's Chief Audit Executive (CAE) and provide information on or reference to a document containing his/her responsibilities.	Refer to information on the appointment letter of the Chairman of the Audit Committee and the Internal Audit Charter.
2. CAE oversees and he is responsible for the internal audit activity of the organization, including that portion that is outsourced to a third party service provider.	COMPLIANT		The duties of the CAE are enumerated in the Internal Audit Charter.
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	Identify qualified independent executive or senior management personnel, if applicable.	Internal audit activities are not fully-outsourced. Refer to Internal Audit Charter.
<b>Recommendation 12.4</b>			
1. The company has a separate risk management function to identify, assess and monitor key risk exposures.	NON-COMPLIANT	Provide information on company's risk management function.	The mandate of the Internal Audit Committee is to 1) monitor and assure operational compliance and 2) improve effectiveness of risk management through compliance checks embodied in its charter. Refer to information on Internal Audit Charter.
<b>Recommendation 12.5</b>			

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).	NON- COMPLIANT	Identify the company's Chief Risk Officer (CRO) and provide information on or reference to a document containing his/her responsibilities and qualifications/background.	The constitution of the internal audit team is primarily to monitor and assure operational compliance and improve effectiveness of risk management through compliance check embodied in its charter. Refer to information on Internal Audit Charter.
2. CRO has adequate authority, stature, resources and support to fulfill his/her responsibilities.	NON- COMPLIANT		The constitution of the internal audit team is primarily to monitor and assure operational compliance and improve effectiveness of risk management through compliance check embodied in its charter. Refer to information on Internal Audit Charter.
<b>Cultivating a Synergic Relationship with Shareholders</b>			
<b>Principle 13:</b> To company should treat all shareholders fairly and equitably, and also recognize, protect and facilitate the exercise of their rights.			
<b>Recommendation 13.1</b>			
1. Board ensures that basic shareholder rights are disclosed in the Manual Corporate Governance.	COMPLIANT	Provide link or reference to the company's Manual on Corporate Governance where shareholders' rights are disclosed.	Basic shareholder rights and other mandates are expressed in the Manual on Corporate Governance (MCG). Refer to the Manual on Corporate Governance posted on company's website: Refer to <a href="http://www.corporateguarantee.com.ph">www.corporateguarantee.com.ph</a> , About us -> Corporate Governance.
2. Board ensures that the basic shareholder rights are disclosed on the company's website.	COMPLIANT	Provide link to company's website.	Basic shareholder rights and other mandates are expressed in the Manual on Corporate Governance (MCG). Refer to the Manual on Corporate Governance posted on company's website: Refer to <a href="http://www.corporateguarantee.com.ph">www.corporateguarantee.com.ph</a> , About us -> Corporate Governance.
<b>Recommendation 13.2</b>			
1. Board encourages active shareholder participation by sending the Notice of Annual and Special Shareholders' Meeting with sufficient and relevant information at least twenty one (21) days before the meeting.	COMPLIANT	Indicate the number of days before the annual stockholders' meeting or special stockholders' meeting when the notice and agenda were sent out.  Indicate whether shareholders' approval of remuneration or any changes therein were included in the agenda of the meeting.	Directors, stockholders, and officers were notified of the annual meeting. Refer to Notice of the 2024 Joint Annual Meeting of the Stockholders and Organizational Meeting of the Board of Directors. with stated agenda and dated 30 days prior the meeting. <a href="http://www.corporateguarantee.com.ph">www.corporateguarantee.com.ph</a> , About us -> Corporate Governance.
<b>Recommendation 13.3</b>			
1. Board encourages active shareholder participation by making the result of the votes taken during the most recent Annual or Special Stockholders' Meeting publicly available the next working day.	NON-COMPLIANT	Provide information or reference to a document containing information on all relevant questions raised and answers during the ASM and special meeting and the results of the vote taken during the most recent ASM/SSM.	The minutes of the 2024 Joint Annual Meeting of the Stockholders and Organizational Meeting of the Board of Directors is available at Corporate Secretary's office for stakeholders' access at anytime. It is also posted as supporting document in the corporation's ACGR compliance. Refer to information on Minutes of the 2024 Joint Annual Meeting of the Stockholders and Organizational Meeting of the Board of Directors.
2. Minutes of the Annual and Special Shareholders' Meetings are available on the company website within the five business days from the end of the meeting.	NON- COMPLIANT	Provide link to minutes of meeting in the company website.  Indicate voting results for all agenda items, including the approving, dissenting and abstaining votes.  Indicate also if the voting on resolutions was by poll.  Include whether there was opportunity to ask question and the answers given , if	The minutes of the 2024 Joint Annual Meeting of the Stockholders and Organizational Meeting of the Board of Directors is available at Corporate Secretary's office for stakeholders' access at anytime. It is also posted as supporting document in the corporation's ACGR compliance. Refer to Notice of the 2024 Joint Annual Meeting of the Stockholders and Organizational Meeting of the Board of Directors. with stated agenda and dated 30 days prior the meeting. <a href="http://www.corporateguarantee.com.ph">www.corporateguarantee.com.ph</a> , About us -> Corporate Governance.
<b>Recommendation 13.4</b>			
1. Board has an alternative dispute mechanism to resolve intra-corporate disputes in an amicable and effective manner.	COMPLIANT	Provide details of the alternative dispute resolution made available to resolve intra-corporate disputes.	Under the Amended By-Laws, the Board may make and/or change rules for the management of the corporation's business and affairs, which includes ,but not limited to, handling and disposition of intra-corporate disputes. Refer to Article III, Sec. 1 of the Amended By-Laws.



2. The alternative dispute mechanism is included in the company's Manual on Corporate Governance.	NON- COMPLIANT	Provide link/reference to where it is found in the Manual on Corporate Governance.	The Company relies upon The Revised Corporation Code and the various issuances of the Securities and Exchange Commission (SEC) for its alternative dispute mechanism. The Company undertakes to formulate specific rules when the need arises and include it in its Manual on Corporate Governance.
<b>Duties to Stakeholders</b>			
<b>Principle 14:</b> 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.			
<b>Recommendation 14.1</b>			
1. Board identifies the company's various stakeholders and promotes cooperation among them with the company in creating wealth, growth and sustainability.	COMPLIANT	Identify the company's shareholder and provide information or reference to a document containing information on the company's policies and programs for its stakeholders.	CG's Quality Manual provides written policies on understanding the organization and its processes, including stakeholders' involvement and control. Refer to the Quality Manual on Context of the Organization.
<b>Recommendation 14.2</b>			
1. Board establishes clear policies and programs to provide a mechanism on the fair treatment and protection of stakeholders.	COMPLIANT	Identify policies and programs for the protection and fair treatment of company's stakeholders.	CG's Quality Manual provides written policies in handling customer complaints, for assessments and/or improvements of existing policies to increase customer satisfaction. Refer to Quality Manual on Handling of Customer Complaints.
<b>Recommendation 14.3</b>			
1. Board adopts a transparent framework and process that allow stakeholders to communicate with the company and to obtain redress for the violation of their rights.	COMPLIANT	Provide the contact details (i.e., name of contact person, dedicated phone number or e-mail address, etc.) which stakeholders can use to voice their concerns and/or complaints for possible violation of their rights.  Provide information on whistleblowing policy, practices and procedures for stakeholders.	The contact details of the office are provided in the website. Stakeholders may communicate any concern. Refer to the Contact Us page of the website <a href="https://corporateguarantee.com.ph/contact-us/">https://corporateguarantee.com.ph/contact-us/</a> .
<b>Principle 15:</b> 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.			
<b>Recommendation 15.1</b>			
1. Board establishes policies, programs and procedures that encourage employees to actively participate in the realization of the company's goals and in its governance.	COMPLIANT	Provide information on or link/reference to company policies, programs and procedures that encourage employee participation.	Company's Quality Manual provides written policies on communication within the organization regarding the effectiveness of the quality management system. Refer to the Quality Manual on Organizational Knowledge.
<b>Recommendation 15.2</b>			
1. Board sets the tone and makes a stand against corrupt practices by adopting an anti-corruption policy and program in its Code of Conduct.	COMPLIANT	Identify or provide link/reference to the company's policies, programs and practices on anti-corruption.	In the implementation of company's quality objectives, CG is guided by the corporate values of honesty and integrity. Refer to the MCG.
2. Board disseminates the policy and program to employees across the organization through trainings to embed them in the company's culture.	COMPLIANT	Identify how the board disseminated the policy and program to employees across the organization.	The company, through its Human Resource Management Department, and Unit Heads conduct several trainings and development programs to enable employees perform appropriately their specific functions aligned with the organizational policies and programs. Refer to the Quality Manual on Competence.
<b>Recommendation 15.3</b>			
1. Board establishes a suitable framework for whistle-blowing that allows employees to freely communicate their concerns about illegal or unethical practices, without fear of retaliation.	COMPLIANT	Disclose or provide link/reference to the company whistle-blowing policy and procedure for employees.  Indicate if the framework includes procedures to protect the employees from retaliation.  Provide contact details to report any illegal or unethical behavior.	The company, has mechanisms to detect, resolve, and address disputes, illegal or unethical practices, as well as the protection for employees. Refer to the Quality Manual on Competence and MCG.


2. Board establishes a suitable framework for whistle-blowing that allows employees to have direct access to an independent member of the Board or a unit created to handle whistleblowing concerns.	COMPLIANT		The company, has mechanisms to detect, resolve, and address disputes, illegal or unethical practices, as well as the protection for employees. Refer to the Quality Manual on Competence and MCG.
3. Board supervises and endures the enforcement of the whistle-blowing framework.	COMPLIANT	Provide information on how the board supervised and ensured enforcement of the whistle-blowing framework, including any incident of whistle-blowing.	The company, has mechanisms to detect, resolve, and address disputes, illegal or unethical practices, as well as the protection for employees. Refer to the Quality Manual on Competence and MCG.
<b>Principle 16:</b> 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.			
<b>Recommendation 16.1</b>			
1. Company recognizes and places importance on the interdependence between business and society, and promotes a mutually beneficial relationship that allows the company to grow its business, while contributing to the advancement of the society where it operates.	COMPLIANT	Provide information or reference to a document containing information on the company's community involvement and environment-related programs.	Corporate Guarantee participates in activities for social, economic, civic, and environmental engagement: Brigada Eskwela, recycling and community beautification activities, and donations and support to government and non-government facilities, involved in social work, care of children and senior citizens, and persons deprived of liberty.

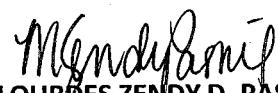
**CERTIFICATION**

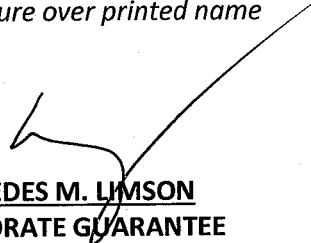
The undersigned certify that the responses and explanations set forth in the above Company's Annual Corporate Governance Report are true, complete and correct of our own personal knowledge and/or based on authentic records.

Signed in the City of San Fernando, Pampanga, on the 22 MAY 2025 of \_\_\_\_\_, 2025.

  
**LISSET LAUS-VELASCO**  
CHAIRMAN AND PRESIDENT / CEO  
*Signature over printed name*

  
**ROMEO G. TORNO**  
INDEPENDENT DIRECTOR  
*Signature over printed name*

  
**MA. LOURDES ZENDY D. PASTORAL**  
CORPORATE SECRETARY  
*Signature over printed name*

  
**MERCEDES M. LIMSON**  
CORPORATE GUARANTEE  
CHIEF OPERATING OFFICER  
/ CORPORATE GOVERNANCE  
COMPLIANCE OFFICER  
*Signature over printed name*

SUBSCRIBED AND SWORN to before me this 22 MAY 2025 day of \_\_\_\_\_, 2025, by the following who are 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:

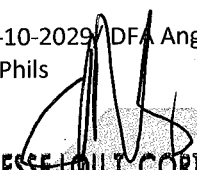
**NAME**

1. LISSET LAUS-VELASCO
2. MA. LOURDES ZENDY D. PASTORAL
3. MERCEDES M. LIMSON
4. ROMEO G. TORNO

**ID NO. / DATE / PLACE ISSUED**

Passport P0205002B/01-11-2019 valid until 01-10-2029 DFA Angeles  
Driver's License- A02-06-001803 issued at LTO Phils  
Tax Identification No. 132-082-587  
Tax Identification No. 107-071-246

Doc No. 67;  
Page No. 15;  
Book No. (XXXVII)  
Series of 2025.

  
**DENEESSE LOU T. CORTEZ**  
Notary Public

Until December 31, 2026  
Notarial Commission No. 54-25  
IBP No. 493386/01/02/2025  
PTR No. PAM-0748009E/02 Jan. 2025/CSFP  
Roll No. 59452  
MCLE No. VIII-0012931 Valid Until April 14, 2028