

Please be advised that at the meeting of the Board of Directors of NRCP held today 18 May 2017, the Board approved the following:

- (1) Designation of Raul G. Tumangday, Compliance Officer, as the company's Data Protection Officer (DPO). Mr. Tumangday will concurrently hold the positions of Compliance Officer and DPO.
- (2) Policy on Trading of NRCP Securities (a copy of which is attached as Annex A).
- (3) Amended Audit Committee Charter (a copy of which is attached as Annex B)

SIGNATURES

Pursuant to the requirements of the Securities Regulation Code, the issuer has duly caused this report to be signed on its behalf by the undersigned hereunto duly authorized, in the City of Makati on 18 May 2017.

**National Reinsurance Corporation of the Philippines,
doing business under the names and styles of Philippine
National Reinsurance Company; PhilNaRe**
Issuer


REGINA S. RAMOS
Vice President, Head of Risk & Compliance

Policy on Insider Trading of Company Securities

Principle

Consistent with the company's adherence to pertinent laws and regulations of the Securities and Exchange Commission (SEC) and the Philippine Stock Exchange (PSE), as well as the principles of good corporate governance, this policy is issued to provide guidelines on dealings of insiders in shares of stock of the Company.

Coverage

This Policy applies to and shall be implemented by all members of the Board of Directors, Officers, Employees Officers and Consultant/s of the Company.

Policy

1. Insider Trading

(A) Who are Insiders

Insiders are generally the following:

- (a) The issuer;
- (b) A director or officer (or person performing similar functions) of, or a person controlling the issuer;
 - *All members of the Board of Directors*
 - *All Executive Officers of the company who are or may be in possession of material non-public information because of their responsibilities. Executive Officers of the company include the President & CEO and the heads of departments and business units.*
- (c) A person whose relationship or former relationship to the issuer gives or gave him access to material information about the issuer or the security that is not generally available to the public;
 - *Consultants and Advisers of the company*
 - *All other company employees who are made aware of undisclosed material information*
- (d) A government employee, or director, or officer of an exchange, clearing agency and/or self-regulatory organization who has access to material information about an issuer or a security that is not generally available to the public; or
- (e) A person who learns such information by a communication from any of the foregoing insiders.
(Section 3.8 Securities Regulation Code)

(B) Insider's duty to disclose when trading

It shall be unlawful for an insider to sell or buy a security of the issuer while in possession of material information with respect to the security or the issuer that is not generally available to the public, unless:

- (1) The insider proves information not gained from such relationship; or
- (2) If the other party selling to or buying from the insider (or his agent) is identified, the insider proves:

National Reinsurance Corporation of the Philippines

- (i) that he disclosed the information to the other party,
- (ii) that he had reason to believe that the other party otherwise is also in possession of the information.

A purchase or sale of a security of the issuer made by an insider, or such insider's spouse or relatives by consanguinity or affinity within the second degree, legitimate or common law, shall be presumed to have been effected while in possession of material non-public information if transacted after such information came into existence but prior to dissemination of such information to the public and the lapse of a reasonable time for the market to absorb such information; provided however, that this presumption shall be rebutted upon a showing by the purchaser or seller that he was not aware of the material non-public information at the time of the purchase or sale.

(Section 27.1 Securities and Regulation Code)

(C) Duty to keep information confidential

It shall be unlawful for any insider to communicate material non-public information about the issuer or the security to any person who, by virtue of the communication, becomes an insider, where the insider communicating the information knows or has reason to believe that such person will likely buy or sell a security of the issuer while in possession of such information.

(Section 27.3 Securities Regulation Code)

(D) What is Material Non-Public Information

Material Non-Public Information means:

- (a) It has not been generally disclosed to the public and would likely affect the market price of the security after being disseminated to the public and the lapse of a reasonable time for the market to absorb the information; or
- (b) would be considered by a reasonable person important under the circumstances in determining his course of action whether to buy, sell or hold a security.

(Section 27.2 Securities Regulation Code)

2. Blackout Period

A Director, Officer, Employee or Consultant of an Issuer **must not deal in NRCP securities** (i.e. buy or sell NRCP shares) during the period within which material non-public information is obtained and up to two (2) full Trading Days after the price sensitive information is disclosed.

(Section 13.2 PSE Disclosure Rules)

The **Blackout periods** are the following:

A. Structured Reports/Disclosures

Five (5) trading days before and two (2) full trading days after the disclosure of Structured Reports (e.g. quarterly reports, annual financial statement).

Structured reports/disclosures shall refer to periodic reports required by the Securities and Exchange Commission and/or the Philippine Stock Exchange to ensure public availability of continuing adequate information on the Company, such as the following:

- SEC Form 17-Q (Quarterly Report) - filed within 45 days from end of the quarter
- SEC Form 17-A (Annual Report) - filed within 105 calendar days after end of fiscal year

National Reinsurance Corporation of the Philippines

B. Unstructured Reports/Disclosures

Three (3) trading days before and Two (2) trading days after the disclosure of any material information other than quarterly report and annual financial statement.

Unstructured reports/disclosure shall refer to corporate developments as they occur and as may be necessary to update information on the operations and business of the company, such as the following:

- Monthly Board Meetings (*every 3rd Thursday of the month*)
- Board Committee Meetings
- Annual Stockholders' Meeting (*every 4th Wednesday of June*)

as there may be material non-public information arising from these meetings.

The Company will make the proper notification on the necessary blackout periods should there be any change in the disclosure dates for the Company Structured Reports/Disclosures as mentioned above, as well as any material non-public information arising from Monthly Board/Committee meetings and Annual Stockholders' Meeting.

Compliance and Reporting Policies

All directors and company officers, including the Internal Auditor, Risk Officer, Treasurer, Corporate Secretary and Assistant Corporate Secretary, and Consultants shall report their trades to the Compliance Office within 2 (two) days from the transaction date to ensure timely report/disclosure to the SEC/PSE.

Under the laws, violations of the insider trading and the blackout period rules are subject to disciplinary action, as well as penalty of fines and/or imprisonment.

Insiders are advised to inquire with the company's Compliance Office for any new disclosures posted at the Company or PSE website before making any trade as additional precautionary measure to avoid violation of the black-out rule.

Questions

For any questions about this policy or in the determination of whether a situation violates or potentially violates this policy, please check with the Compliance Office.

Effectivity

This Policy is effective upon Board Approval on 18 May 2017.



ANNEX B

Audit Committee Charter



Contents

A. PREAMBLE	3
B. PURPOSE	3
C. AUTHORITY	3
D. COMPOSITION	3
E. MEETINGS / COMMUNICATION PLAN	4
F. RESPONSIBILITIES	4
G. SELF-ASSESSMENT	7



Audit Committee Charter

A. PREAMBLE

This Audit Committee Charter (the "Charter") has been adopted by the Board of Directors ("Board") of PhilNaRe (the "Company") on August 22, 2008 and was last updated September 9, 2011, to guide them in the execution of their duties and responsibilities.

This was based on the framework and model charters provided by Institute of Internal Auditors (www.iaa.org) and Audit Committee Institute (www.auditcommitteeinstitute.ie) in its respective web site.

The Audit Committee of the Board shall review and reassess this charter as necessary, request board approval for proposed changes, and ensure appropriate disclosure as may be required by applicable law or regulation.

B. PURPOSE

To assist the Board in fulfilling its oversight responsibilities on:

1. Financial reporting process
2. System of internal control
3. External and Internal Auditors' independence, qualifications and performance
4. Company's process for monitoring compliance with laws and regulations and the code of conduct.

C. AUTHORITY

The Audit Committee has the authority to:

1. Recommend for approval the Internal Audit Charter, which formally defines the role of Internal Audit and the audit plan as well as oversees the implementation of the Internal Audit Charter.
2. Approve the Chief Audit Executive's (CAE) appointment, dismissal, compensation, and salary adjustment relative to annual performance evaluations and ensure that there are no unjustified restrictions or limitations thereto.
3. Establish and identify the reporting line of the Internal Auditor to enable him to properly fulfill his duties and responsibilities.
4. Recommend the appointment and compensation of the independent external auditor and oversee their work performance.
5. Resolve any disagreements between management and the auditor regarding financial reporting.
6. Recommend the approval of all auditing and audit-related services including the approval of the terms and conditions for outsourcing internal audit services.
7. Conduct or authorize investigations into any matters within its scope of responsibility.

8. Retain independent counsel, accountants, or others to advise the committee or assist in the conduct of an investigation.
9. Seek any information it requires from Company Officers and Employees---all of whom are directed to cooperate with the committee's requests---or external parties.
10. Meet with Company Officers, Internal Auditors, External Auditors, or outside counsel, as necessary.

D. COMPOSITION

The Audit Committee shall be composed of at least three (3) directors, preferably with accounting and finance background, and such other qualifications as may be required under the applicable rules and regulations promulgated by the Insurance Commission (IC), Securities and Exchange Commission (SEC) and Philippine Stock Exchange (PSE).

As required by IC, all members of the Audit Committee shall be independent directors. The Board or its Nominating Committee will appoint the committee chair and the committee members.

E. MEETINGS / COMMUNICATION PLAN

The committee will meet at least four times a year, with authority to convene additional meetings as circumstances require. All committee members are expected to attend each meeting --- in person or via teleconference or videoconference. The committee may invite members of management, auditors or others to attend meetings and provide pertinent information, as necessary. It will hold private meetings with auditors and executive sessions.

Meeting agendas will be prepared and provided in advance to members, along with appropriate briefing materials. Minutes will be prepared and approved after every meeting.

F. RESPONSIBILITIES

The Audit Committee will carry out the following responsibilities:

1. Financial Statements
 - a. Review significant accounting and financial reporting issues, including complex or unusual transactions and highly judgmental areas, and recent professional and regulatory pronouncements, and understand their impact on the financial statements.
 - b. Review with management and the auditors the results of the audit, including any difficulties encountered.
 - c. Review the annual financial statements and consider whether they are complete, consistent with information known to committee members and reflect appropriate accounting principles.

- d. Review other sections of the annual report and related regulatory filings before release and consider the accuracy and completeness of the information.
- e. Review with management and the auditors all matters required to be communicated to the committee under generally accepted auditing standards.
- f. Understand how management develops interim financial information and the nature and extent of internal and external auditor involvement.
- g. Review interim financial reports with management and the auditors before filing with regulators, and consider whether they are complete and consistent with the information known to committee members.

2. Internal Control

- a. Consider the effectiveness of the company's internal control system, including information technology security and control.
- b. Understand the scope of Internal and External Auditors' review of internal control over financial reporting, and obtain reports on significant findings and recommendations, together with management's responses.
- c. Monitor, oversee and evaluate the duties and responsibilities of management, the internal audit activity and the External Auditors as these duties and responsibilities relate to the company's processes for controlling its operations.
- d. Through the Internal Audit Department, evaluate the adequacy and effectiveness of the corporation's integrity of financial reporting, and security of physical and information assets.
- e. Deliberate the findings noted in control and reporting process.

3. Internal Audit

- a. Review and confirm the independence of the Chief Audit Executive (CAE) and its Staff by obtaining statements from the auditors and other sources, annually.
- b. Review the scope of internal audit work for the ensuing year in light of risk assessment of the operations of the company. Have final authority to approve the annual audit plan and all major changes to the plan.
- c. Review with Senior Management and the CAE the charter, plans, activities, budget, staffing and organizational structure of the internal audit function.
- d. Evaluate the performance of the CAE and its staff.

- e. Review and approve the CAE's appointment, dismissal, compensation, and salary adjustment relative to annual performance evaluations and ensure that there are no unjustified restrictions or limitations thereto.
- f. Review the effectiveness of the internal audit function, which may include compliance with 'The Institute of Internal Auditors' International Professional Practices Framework (IPPF).
- g. On a regular basis, meet separately with the CAE to discuss any matters that the committee or internal audit believes should be discussed privately.
- h. Review and recommend for approval the Internal Audit Charter, which formally defines the role of Internal Audit and the audit plan as well as oversees the implementation of the Internal Audit Charter.
- i. Establish and identify the reporting line of the Internal Auditor to enable him to properly fulfill his duties and responsibilities.
- j. Review and monitor management's responsiveness to the Internal Auditor's findings and recommendations.
- k. Review and approve the terms and conditions for outsourcing internal audit services.

4. External Audit

- a. Review and confirm the independence of the External Auditors by obtaining statements from the auditors on relationships between the auditors and the company, including non-audit services, and discussing the relationships with the auditors.
- b. Review the External Auditors' proposed scope and their approach in the annual audit and special engagements, including coordination of audit effort with internal audit and the terms of their engagements.

The committee's duty is confined to the oversight responsibilities on the planning or conducting of external or internal audits. It is management's and the External Auditors' main responsibility to determine that the company's financial statements and disclosures are complete, accurate and in accordance with Philippine Financial Reporting Standards, generally accepted accounting principles and applicable rules and regulations.

- c. Review the performance of the External Auditors and exercise final approval on the appointment or discharge of the auditors.
- d. On a regular basis, meet separately with the External Auditors to discuss any matters that the committee or auditors believe should be discussed privately.

- e. Evaluate and determine the non-audit work, if any, of the External Auditor, and periodically review the non-audit fees paid to the External Auditor in relation to the total fees paid to them and to the corporation's overall consultancy expenses.
- f. Review the disposition of the External Auditor's recommendations as indicated in the management letter.
- g. Review the engagement and rotation process of external auditor or firm
- h. Ensure completeness and timeliness of communication with external auditor as to critical policies, alternative treatment, observation on internal control, audit adjustments, independence, limitation on the audit work set by the management, and other material issues that affect the audit and financial reporting

5. Compliance

- a. Review the effectiveness of the system for monitoring compliance with laws and regulations and the results of management's investigation and follow-up (including disciplinary action) of any instances of noncompliance.
- b. Review the findings of any examinations by regulatory agencies and any auditor observations.
- c. Review the process for communicating the code of conduct to company personnel and for monitoring compliance therewith.
- d. Obtain regular updates from management thru the Compliance Officer's and legal counsel's reports regarding compliance matters.

6. Reporting Responsibilities

- a. Report regularly to the Board about committee activities, issues and related recommendations.
- b. Provide an open avenue of communication between internal audit, the External Auditors and the Board.
- c. Report annually to the shareholders, describing the committee's composition, responsibilities and how they were discharged, and any other information required by applicable law or regulation.
- d. Review any other reports the company issues that relate to committee responsibilities.



7. Other Responsibilities

- a. Perform other activities related to this charter as requested by the Board.
- b. Institute and oversee special investigations as needed.
- c. Confirm annually that all responsibilities outlined in this charter have been carried out.
- d. Evaluate the committee's and individual members' performance on a regular basis.
- e. Review Management's competence regarding financial reporting responsibilities including aggressiveness and reasonableness of decisions
- f. Review and approval of management representation letter before submission to external auditor.
- g. Obtain management's assurance on the state of internal controls

G. SELF-ASSESSMENT

The Chairman of the Audit Committee and its members will manage the quality assurance and improvement program to cover all aspects of its function and to monitor their effectiveness. Periodic quality assessments will be performed, internally and externally.