



**THE PHILIPPINE STOCK  
EXCHANGE, INC.**

**Corporate Governance Guidelines  
for  
Listed Companies  
Disclosure Template**

		COMPLY	EXPLAIN
<b>Guideline No. 1: DEVELOPS AND EXECUTES A SOUND BUSINESS STRATEGY</b>			
1.1	Have a clearly defined vision, mission and core values.	✓	<a href="#">Mission, Vision, Commitment</a> PhilNaRe Website
1.2	Have a well developed business strategy.	✓	The CEO/President submits and recommends for Board approval the short and long range plans for the Corporation. The Board approves and confirms management's corporate strategies, major plans of actions, risk policy, annual budget and business plan.
1.3	Have a strategy execution process that facilitates effective performance management, and is attuned to the company's business environment, management style and culture.	✓	
1.4	Have its board continually engaged in discussions of strategic business issues.	✓	<a href="#">SEC Form ACGR-Consolidated Changes in the ACGR for 2014</a> <b>Deliverables</b> , Other Executive, Non-executive and Independent Directors, page 12
<b>Guideline No. 2: ESTABLISHES A WELL-STRUCTURED AND FUNCTIONING BOARD</b>			
2.1.	Have a board composed of directors of proven competence and integrity.	✓	<a href="#">SEC Form 20-IS: Definitive Information Statement for the year Ended December 2013</a> Business Experience and Educational Attainment of Directors in the past 5 years, Page 8-11, PDF Pages 12-15  <a href="#">About Us: Board of Directors</a> (Website)
2.2.	Be lead by a chairman who shall ensure that the board functions in an effective and collegial manner.	✓	<a href="#">NRCP Amended By Laws filed to the SEC on July 20, 2012</a> Powers of the Chairman of the Board, Section 11, Page 12, PDF Page 30

	COMPLY	EXPLAIN
<p>2.3 Have at least three (3) or thirty percent (30%) of its directors as independent directors.</p>	✓	<p><a href="#">SEC Form 20-IS: Definitive Information Statement for the year Ended December 2013</a> Incumbent Directors and Executive Officers, Page 7, PDF Page 11</p>
<p>2.4 Have in place written manuals, guidelines and issuances that outline procedures and processes.</p>	✓	<p><a href="#">Revised Manual of Corporate Governance Code of Ethics</a> <a href="#">Code of Conduct</a> <a href="#">Board Committee Charters</a> PhilNaRe Website/Investor Relations/Other Corporate Information</p> <p>Work Procedures Manual is being finalized and subject for approval.</p>
<p>2.5 Have Audit, Risk, Governance and Nomination &amp; Election Committees of the board.</p>	✓	<p><a href="#">SEC Form ACGR-Consolidated Changes in the ACGR for 2014</a> Board Committees, Section E.1 Number of Members, Functions and Responsibilities, Pages 33-35</p> <p><a href="#">About Us: Committees and Members</a> Website</p>
<p>2.6 Have its Chairman and CEO positions held separately by individuals who are not related to each other.</p>	✓	<p><a href="#">Revised Manual of Corporate Governance</a> Chairman and CEO, item b.2, Document Page 5, PDF Page 6</p> <p><a href="#">SEC Form 20-IS: Definitive Information Statement for the year Ended December 2013</a> Incumbent Directors and Executive Officers, Item 5.a, Document Page 7, PDF Page 11, Chairperson / President &amp; CEO</p>

	COMPLY	EXPLAIN
		<a href="#">SEC Form ACGR-Consolidated Changes in the ACGR for 2014</a> Chairman and CEO, Item A.2.a, Pages 10
2.7 Have a director nomination and election process that ensures that all shareholders are given the opportunity to nominate and elect directors individually based on the number of shares voted.	✓	<a href="#">NRCP Amended By-Laws filed to the SEC on July 20, 2012</a> Section 7: Election of Directors, Section 7, Page 6, PDF Page 9; and Nomination for Director, Section 4, Page 9, PDF Page 12  <a href="#">SEC Form 20-IS: Definitive Information Statement for the year Ended December 2013</a> Voting Procedures, Pages 27-28, PDF Pages 31-32  <a href="#">Minutes of Annual Stockholders Meeting</a> PhilNaRe Website/Investors Relation  Corporate Disclosures- Unstructured Reports <a href="#">Nomination and Election Rules- Rule V</a> ,PDF Pages 10-11
2.8 Have in place a formal board and director development program.	✓	<a href="#">SEC Form ACGR-Consolidated Changes in the ACGR for 2014</a> Other Executive, Non-Executive and Independent Directors, Item A.4, Page 11-12; and Orientation and Education Program, Item A.6, Page 19 – 22
2.9 Have a corporate secretary.	✓	<a href="#">NRCP Amended By-Laws filed to the SEC on July 20, 2012</a> Article IV, Section 7- Corporate Secretary

	COMPLY	EXPLAIN
		Document Page 15-18, PDF Page 18-19  <a href="#">SEC Form 20-IS: Definitive Information Statement for the year Ended December 2013</a> Incumbent Directors and Executive Officers – Corporate / Assistant Corporate Secretary, Document Page 12, PDF Page 16
2.10 Have no shareholder agreements, by-laws provisions, or other arrangements that constrains the directors’ ability to vote independently.	✓	<a href="#">NRCP Amended By-Laws filed to the SEC on July 20, 2012</a> Election of Directors, Section 7, Document Page 6, PDF Page 9  <a href="#">SEC Form 20-IS: Definitive Information Statement for the year Ended December 2013</a> Voting Procedures, Pages 27-28, PDF Pages 31-32 There are no provisions, statements or arrangements in the above cited documents which may constrain any director’s ability to vote independently.
<b>Guideline No. 3: MAINTAINS A ROBUST INTERNAL AUDIT AND CONTROL SYSTEM</b>		
3.1 Establish the internal audit function as a separate unit in the company which would be overseen at the Board level.	✓	<a href="#">Audit Committee Charter</a> PhilNaRe Website/Investor Relations/Other Corporate Information/Board Committee Charters
3.2 Have a comprehensive enterprise-wide compliance program that is annually reviewed.	✓	<a href="#">Revised Manual of Corporate Governance</a> Compliance System, Item G, Page 23-27, PDF Pages 24-28
3.3 Institutionalize quality service programs for the internal audit function.	✓	<a href="#">Audit Committee Charter</a>

	COMPLY	EXPLAIN
		Other Responsibilities, Item 7, Page 6-7
3.4 Have in place a mechanism that allows employees, suppliers and other stakeholders to raise valid issues.	✓	Website: <a href="#">Contact Us</a> Company web portal and contact information published in the website
3.5 Have the Chief Executive Officer and Chief Audit Executive attest in writing, at least annually, that a sound internal audit, control and compliance system is in place and working effectively.	✓	<a href="#">2013 Annual Report</a> Report of the Audit Committee, Page 12, PDF Page 14
<b>Guideline No. 4: RECOGNIZES AND MANAGES ITS ENTERPRISE RISKS</b>		
4.1 Have its board oversee the company's risk management function.	✓	<a href="#">SEC Form ACGR-Consolidated Changes in the ACGR for 2014</a> Risk Oversight Committee, E. Board Committees, Work Done and Issues Addressed, Item E.4, Page 38 Risk Oversight, E. Board Committees, Committee Program, Item E.5, Page 40
4.2 Have a formal risk management policy that guides the company's risk management and compliance processes and procedures.	✓	<a href="#">SEC Form ACGR-Consolidated Changes in the ACGR for 2014</a>
4.3 Design and undertake its Enterprise Risk Management (ERM) activities on the basis of, or in accordance with, internationally recognized frameworks such as but not limited to, COSO, (The Committee of Sponsoring Organizations of the Treadway Commission) I and II.	✓	Risk Management System, Section F, Pages 41-45
4.4 Have a unit at the management level, headed by a Risk Management Officer (RMO).	✓	<a href="#">PhilNaRe Website</a> Home/About Us/Management Noli Mario H. Benito, Vice President & Head of Risk and Compliance
4.5 Disclose sufficient information about its risk management procedures and processes as well as the key risks the company is currently facing including how these are being managed.	✓	<a href="#">SEC Form 17-A Annual Report as of December 31, 2013</a> Risks, Pages 6-7, PDF Pages 7-8; and Risk Management Objectives and Policies, Item 4, FS Pages 24-31, PDF Pages 78-85

		COMPLY	EXPLAIN
4.6	Seek external technical support in risk management when such competence is not available internally.	✓	The Company hired the services of external Consultants to set-up the company's risk management structure.
<b>Guideline No. 5: ENSURES THE INTEGRITY OF FINANCIAL REPORTS AS WELL AS ITS EXTERNAL AUDITING FUNCTION</b>			
5.1	Have the board Audit Committee approve all non-audit services conducted by the external auditor. The Committee should ensure that the non-audit fees do not outweigh the fees earned from the external audit.	✓	<a href="#">Audit Committee Charter</a> PhilNaRe Website/Investor Relations/Other Corporate Information/Board Committee Charters  <a href="#">SEC Form 20-IS: Definitive Information Statement for the year Ended December 2013</a> Item 7. Independent Public Accountant Document Page 22, PDF Page 26 External Audit Fees, Page 51, PDF Page 55
5.2	Ensure that the external auditor is credible, competent, and should have the ability to understand complex related party transactions, its counterparties, and valuations of such transactions.	✓	<a href="#">SEC Accreditation of External Auditors</a> , as of January 31, 2015 Romualdo V. Murcia III, Punongbayan & Araullo, Item #92  <a href="#">Audit Committee Charter</a> PhilNaRe Website/Investor Relations/Other Corporate Information/Board Committee Charters  <a href="#">SEC Form ACGR-Consolidated Changes in the ACGR for 2014</a> Audit Committee, Board Committees, Number of Members, Functions and Responsibilities, Item E.1, Page 33

	COMPLY	EXPLAIN
5.3 Ensure that the external auditor has adequate quality control procedures.	✓	<a href="#">SEC Accreditation of External Auditors</a> , as of January 31, 2015 Romualdo V. Murcia III, Punongbayan & Araullo, Item #92  <a href="#">SEC Guidelines on External Auditor Accreditation</a>
5.4 Disclose relevant information on the external auditors.	✓	<a href="#">SEC Form 20-IS: Definitive Information Statement for the year Ended December 2013</a> Item 7. Independent Public Accountant Document Page 22, PDF Page 26 External Audit Fees, Page 51, PDF Page 55
5.5 Ensures that the external audit firm is selected on the basis of a fair and transparent tender process.	✓	<a href="#">Revised Manual of Corporate Governance</a> Accountability and Audit, Section F, Page 21-23, PDF Pages 22-24  <a href="#">Audit Committee Charter</a> External Auditors, Item F(4), Page 5-6  <a href="#">SEC Form 20-IS: Definitive Information Statement for the year Ended December 2013</a> Item 7. Independent Public Accountant Document Page 22, PDF Page 26
5.6 Have its audit committee conduct regular meetings and dialogues with the external audit team without anyone from management present.	✓	<a href="#">Audit Committee Charter</a> E. Meetings / Communication Plan, Page 4
5.7 Have the financial reports attested to by the Chief Executive Officer and Chief Financial Officer.	✓	<a href="#">SEC Form 20-IS: Definitive Information Statement for the year Ended December 2013</a>



	COMPLY	EXPLAIN
		Statement of Management's Responsibility for Financial Statements, PDF Page 60
5.8 Have a policy of rotating the lead audit partner every five years.	✓	<a href="#">Revised Manual of Corporate Governance</a> Accountability and Audit, Section F.1(v), Page 22, PDF Page 23  <a href="#">SEC Form 20-IS: Definitive Information Statement for the year Ended December 2013</a> Independent Public Accountant, Item 7, Page 22, PDF Page 26
<b>Guideline No. 6: RESPECTS AND PROTECTS THE RIGHTS OF ITS SHAREHOLDERS, PARTICULARLY THOSE THAT BELONG TO THE MINORITY OR NON-CONTROLLING GROUP</b>		
6.1 Adopt the principle of "one share, one vote."	✓	<a href="#">NRCP Amended By-Laws filed to the SEC on July 20, 2012</a> Election of Directors, Section 7, Page 6, PDF Page 9  <a href="#">SEC Form 20-IS: Definitive Information Statement for the year Ended December 2013</a> Voting Procedures, Item 19 (b), Document Page 27-28, PDF Page 31-32
6.2 Ensure that all shareholders of the same class are treated equally with respect to voting rights, subscription rights and transfer rights.	✓	<a href="#">NRCP Amended By-Laws filed to the SEC on July 20, 2012</a> Election of Directors, Section 7, Page 6, PDF Page 9  <a href="#">Revised Manual of Corporate Governance</a> Rights of Stockholders and Protection of Minority Stockholders' Interest, Section E,

	COMPLY	EXPLAIN
		<p>Document Page 18-21, PDF Page 19-22</p> <p><a href="#">SEC Form ACGR-Consolidated Changes in the ACGR for 2014</a></p> <p>Treatment of all Shareholders, Respect for the Right of Minority Shareholders and of Other Stakeholders, Page 7</p>
<p>6.3 Have an effective, secure and efficient voting system.</p>	<p>✓</p>	<p><a href="#">NRCP Amended By-Laws filed to the SEC on July 20, 2012</a></p> <p>Election of Directors, Section 7, Page 6, PDF Page 9</p> <p><a href="#">Revised Manual of Corporate Governance Rights of Stockholders and Protection of Minority Stockholders' Interest, Section E, Document Page 18-21, PDF Page 19-22</a></p> <p><a href="#">SEC Form 20-IS: Definitive Information Statement for the year Ended December 2013</a></p> <p>Voting Procedures, Item 19 (b), Document Page 27-28, PDF Page 31-32</p>
<p>6.4 Have effective shareholder voting mechanisms such as supermajority or “majority of minority” requirements to protect minority shareholders against actions of controlling shareholders.</p>	<p>✓</p>	<p><a href="#">NRCP Amended By-Laws filed to the SEC on July 20, 2012</a></p> <p>Election of Directors, Section 7, Page 6, PDF Page 9</p> <p><a href="#">SEC Form 20-IS: Definitive Information Statement for the year Ended December 2013</a></p> <p>Voting Procedures, Item 19 (b), Document Page 27-28, PDF Page 31-32</p> <p><a href="#">SEC Form</a></p>

	COMPLY	EXPLAIN
		<a href="#">ACGR-Consolidated Changes in the ACGR for 2014</a> Rights of Stockholders, Item J, Pages 55-66
6.5 Provide all shareholders with the notice and agenda of the annual general meeting (AGM) at least thirty (30) days before a regular meeting and twenty (20) days before a special meeting.	✓	<a href="#">SEC Form ACGR-Consolidated Changes in the ACGR for 2014</a> Notice of Annual Stockholders' Meeting, Rights of Stockholders, Item J1(d)3, Page 57.  <a href="#">SEC Form 20-IS: Definitive Information Statement for the year Ended December 2013</a> Notice of Annual Meeting of Stockholders, PDF Page 2, ASM Date was July 7, 2014;
6.6 Allow shareholders to call a special shareholders meeting, submit a proposal for consideration at the AGM or the special meeting, and ensure the attendance of the external auditor and other relevant individuals to answer shareholder questions in such meetings.	✓	<a href="#">NRCP Amended By-Laws filed to the SEC on July 20, 2012</a> Special Stockholders' Meeting, Article 2, Section 2, Page 4, PDF Page 7
6.7 Ensure that all relevant questions during the AGM are answered.	✓	<a href="#">June 25, 2013 Minutes of Annual Stockholders' Meeting</a> Signed July 7, 2014 Stockholders' Meeting, Report of the President, Item 4, Pages 2-3
6.8 Have clearly articulated and enforceable policies with respect to treatment of minority shareholders.	✓	<a href="#">Revised Manual of Corporate Governance</a> Rights of Stockholders and Protection of Minority Stockholders' Interest, Section E, Document Pages 18-21, PDF Pages 19-22
6.9 Avoid anti-takeover measures or similar devices that may entrench management or the existing controlling shareholder group.	✓	<a href="#">SEC Form 20-IS: Definitive Information Statement for the year Ended December 2013</a> Security Ownership of Management (e);

	COMPLY	EXPLAIN
		Voting Trust (f); and Changes in Control (g), Item 4, Pages 6 – 7; PDF Pages 10-11
6.10 Provide all shareholders with accurate and timely information regarding the number of shares of all classes held by controlling shareholders and their affiliates.	✓	<a href="#">SEC Form 20-IS: Definitive Information Statement for the year Ended December 2013</a> Security Ownership of Certain Record and Beneficial Owners, Item 4(d), Page 5, PDF Page 9  <a href="#">NRCP Public Ownership Report as of December 31, 2014</a> Quarterly Corporate disclosure, PhilNaRe Website
6.11 Have a communications strategy to promote effective communication with shareholders.	✓	PhilNaRe Webpages: <a href="#">Investor Relations – Downloads: Corporate Disclosures, Investor Relations – Investor Services</a>
6.12 Have at least thirty percent (30%) public float to increase liquidity in the market.	✓	<a href="#">SEC Form 20-IS: Definitive Information Statement for the year Ended December 2013</a> Security Ownership of Management, Item 4(e), Page 6-7, PDF Page 10-11  <a href="#">NRCP Public Ownership Report as of December 31, 2014</a> Quarterly Corporate disclosure, PhilNaRe Website
6.13 Have a transparent dividend policy.	✓	<a href="#">SEC Form 20-IS: Definitive Information Statement for the year Ended December 2013</a> Dividends, Page 52, PDF Page 56
<b>Guideline No. 7: ADOPTS AND IMPLEMENTS AN INTERNATIONALLY-ACCEPTED DISCLOSURE AND TRANSPARENCY REGIME</b>		

	COMPLY	EXPLAIN
7.1 Have written policies and procedures designed to ensure compliance with the PSE and SEC disclosure rules, as well as other disclosure requirements under existing laws and regulations.	✓	<a href="#">Revised Manual of Corporate Governance</a> Section G- Compliance System, Document Pages Page 23-26, PDF Pages 24-27
7.2 Disclose the existence, justification, and details on shareholders agreements, voting trust agreements, confidentiality agreements, and such other agreements that may impact on the control, ownership, and strategic direction of the company.	✓	<a href="#">SEC Form 20-IS: Definitive Information Statement for the year Ended December 2013</a> Voting trust holders of 5% or more and Changes in Control, B-Item 4(f/g), Page 7, PDF Page 11
7.3 Disclose its director and executive compensation policy.	✓	<a href="#">NRCP Amended By-Laws filed to the SEC on July 20, 2012</a> Directors Fees, Article III Section 8, page 10, PDF Page 13  <a href="#">SEC Form 20-IS: Definitive Information Statement for the year Ended December 2013</a> Compensation of Directors and Executive Officers, Item 6, Page 21-22, PDF Pages 25-26  <a href="#">SEC Form ACGR-Consolidated Changes in the ACGR for 2014</a> Remuneration Matters, Remuneration Policy and Structure for Executive and Non- Executive Directors, Section D(2), Page 31
7.4 Disclose names of groups or individuals who hold 5% or more ownership interest in the company, significant cross-shareholding relationship and cross guarantees, as well as the nature of the company's other companies if it belongs to a corporate group.	✓	<a href="#">SEC Form 20-IS: Definitive Information Statement for the year Ended December 2013</a> Security Ownership of Certain Record and Beneficial Owners, Item 4(d), Page 5, PDF Page 9

	COMPLY	EXPLAIN
7.5 Disclose annual and quarterly consolidated reports, cash flow statements and special audit revisions. Consolidated financial statements shall be published within 90 days from the end of the financial year, while interim reports shall be published within 45 days from the end of the reporting period.	✓	PhilNaRe Website Webpage: <a href="#">Investor Relations – Downloads: Corporate Disclosures</a> A. Annual Reports (SEC Form 17-A) B. Quarterly Financial Reports (SEC Form 17-Q)
7.6 Disclose to shareholders and the Exchange any changes to its corporate governance manual and practices, and the extent to which such practices conform to the SEC and PSE CG Guidelines.	✓	<a href="#">Revised Manual of Corporate Governance</a>  PhilNaRe Website Webpage: <a href="#">Investor Relations – Downloads: Corporate Disclosures</a>  <a href="#">Corporate Governance Webpage</a> PhilNaRe Website  <a href="#">ASEAN CG Scorecard and Compliance</a>
7.7 Publish and/or deliver to its shareholders in a timely fashion all information and materials relevant to corporate actions that require shareholder approval.	✓	<a href="#">PhilNaRe Website</a> Various corporate disclosures
7.8 Disclose the trading of the corporation's shares by directors, officers (or persons performing similar functions) and controlling shareholders. This shall also include the disclosure of the company's purchase of its shares from the market (e.g. share buy-back program).	✓	PhilNaRe Website <a href="#">SEC Forms 23B</a> ; <a href="#">SEC Form-17C</a> ; and Webpage: <a href="#">Investor Relations – Downloads: Corporate Disclosures</a>
7.9 Disclose in its annual report the principal risks to minority shareholders associated with the identity of the company's controlling shareholders; the degree of ownership concentration; cross-holdings among company affiliates; and any imbalances between the controlling shareholders' voting power and overall equity position in the company.	✓	<a href="#">SEC Form 20-IS: Definitive Information Statement for the year Ended December 2013</a> Security Ownership of Certain Record and Beneficial Owners, Item 4(d), Page 5, PDF Page 9
<b>Guideline No. 8: RESPECTS AND PROTECTS THE RIGHTS AND INTERESTS OF EMPLOYEES, COMMUNITY, ENVIRONMENT, AND</b>		

		COMPLY	EXPLAIN
<b>OTHER STAKEHOLDERS</b>			
8.1	Establish and disclose a clear policy statement that articulates the company's recognition and protection of the rights and interests of key stakeholders specifically its employees, suppliers & customers, creditors, as well the community, environment and other key stakeholder groups.	✓	<a href="#">SEC Form 20-IS: Definitive Information Statement for the year Ended December 2013</a> Stakeholder Relations, Corporate Social Responsibility, Page 55, PDF Page 59  <a href="#">SEC Form ACGR-Consolidated Changes in the ACGR for 2014</a> Role of Stakeholders, Disclosure of Company's Policy and Activities, Section H(1), Pages 50-51
8.2	Have in place a workplace development program.	✓	<a href="#">Company's Code of Conduct</a> Health, Safety, Security and Proper Use of Company Assets, Item 11.3, PDF Page 6  <a href="#">SEC Form ACGR-Consolidated Changes in the ACGR for 2014</a> Performance-enhancing Mechanisms for Employee Participation, Section H(3)(a-c), Pages 51-52
8.3	Have in place a merit-based performance incentive mechanism such as an employee stock option plan (ESOP) or any such scheme that awards and incentivizes employees, at the same time aligns their interests with those of the shareholders.	✓	<a href="#">SEC Form ACGR-Consolidated Changes in the ACGR for 2014</a> Performance-enhancing Mechanisms for Employee Participation, Company's Rewards / Compensation Policy, Section H(3)(d), Page 52
8.4	Have in place a community involvement program.	✓	<a href="#">SEC Form ACGR-Consolidated Changes in the ACGR for 2014</a> Role of Stakeholders, Company's Policy and Activities, Community Interaction, Section H(1), row 4, Pages 50

	COMPLY	EXPLAIN
8.5 Have in place an environment-related program.	✓	<a href="#">SEC Form ACGR-Consolidated Changes in the ACGR for 2014</a> Role of Stakeholders, Company's Policy and Activities, Environmentally Friendly Value Chain, Section H(1), row 3, Page 50
8.6 Have clear policies that guide the company in its dealing with its suppliers, customers, creditors, analysts, market intermediaries and other market participants.	✓	<a href="#">SEC Form ACGR-Consolidated Changes in the ACGR for 2014</a> Role of Stakeholders, Company's Policy and Activities, Customers Welfare/Supplier Contractor Selection Practice, Section H(1), rows 2 & 6, 50-51
<b>Guideline No. 9: DOES NOT ENGAGE IN ABUSIVE RELATED-PARTY TRANSACTIONS AND INSIDER TRADING</b>		
9.1 Develop and disclose a policy governing the company's transactions with related parties.	✓	<a href="#">Revised Manual of Corporate Governance</a> Related Party Transactions, Section f.3, Document Page 23, PDF Page 24  <a href="#">SEC Form 20-IS: Definitive Information Statement for the year Ended December 2013</a> Summary of Significant Accounting Policies – Related Party Relationships and Transactions, Item 2.20, Document Page 20, PDF Page 89  <a href="#">SEC Form ACGR-Consolidated Changes in the ACGR for 2014</a> Related Party Transactions, Policies and Procedures, Section B(4)(a) Page 24-25
9.2 Clearly define the thresholds for disclosure and approval for RPTs and categorize such transactions according to those that are considered <i>de minimis</i> or transactions that need not be reported or announced, those that need to be disclosed, and those that need prior shareholder approval. The	✓	<a href="#">Revised Manual of Corporate Governance</a> Accountability and Audit, Related Party Transactions, Item f.3, Document Page 23, PDF Page 24



	COMPLY	EXPLAIN
aggregate amount of RPT within any twelve (12) month period should be considered for purposes of applying the thresholds for disclosure and approval.		<a href="#">SEC Form ACGR-Consolidated Changes in the ACGR for 2014</a> Related Party Transactions, Policies and Procedures, Section B(4)(a) Page 24-25; and Disclosure of RPT, Section I(7), Page 54
9.3 Establish a voting system whereby a majority of non-related party shareholders approve specific types of related party transactions in shareholders meetings.	✓	<a href="#">SEC Form 20-IS: Definitive Information Statement for the year Ended December 2013</a> Summary of Voting Matters/Voting Procedures, Item 19, Page 26-28, PDF Page 30-32  <a href="#">SEC Form ACGR-Consolidated Changes in the ACGR for 2014</a> Related Party Transactions, Policies and Procedures, Section B(4)(a) Page 24-25; and Disclosure of RPT, Section I(7), Page 54
9.4 Have its independent directors or audit committee play an important role in reviewing significant RPTs.	✓	<a href="#">Revised Manual of Corporate Governance</a> Accountability and Audit, Related Party Transactions, Item f.3, Document Page 23, PDF Page 24
9.5 Be transparent and consistent in reporting its RPTs. A summary of such transactions shall be published in the company's annual report.	✓	<a href="#">SEC Form 20-IS: Definitive Information Statement for the year Ended December 2013</a> Certain Relationships and Related Transactions, Document Page 18-21, PDF Page 22-25  <a href="#">SEC Form 20-IS: Definitive Information Statement for the year Ended December</a>

	COMPLY	EXPLAIN
		<p><a href="#">2013</a> (Audited Financial Statements) Notes to the Financial Statements – Related Party Transactions, Item 19, Document Pages 50-52, PDF Pages 119-121</p>
<p>9.6 Have a clear policy in dealing with material non-public information by company insiders.</p>	<p>✓</p>	<p><a href="#">Code of Ethics</a> Confidentiality, Section 3(d), PDF Page 2 Conflict of Interest, Section 5(b), PDF Page 3</p> <p><a href="#">SEC Form ACGR-Consolidated Changes in the ACGR for 2014</a> Code of Business Conduct and Ethics, Conflict of Interest / Conduct of Business and Fair Dealings, Section B(1)(a &amp;b), Page 23</p>
<p>9.7 Have a clear policy and practice of full and timely disclosure to shareholders of all material transactions with affiliates of the controlling shareholders, directors or management.</p>	<p>✓</p>	<p><a href="#">Revised Manual of Corporate Governance</a> Related Party Transactions, item f.3, Document Page 23, PDF Page 24</p> <p><a href="#">SEC Form 20-IS: Definitive Information Statement for the year Ended December 2013</a> Certain Relationships and Related Transactions, Document Page 18-21, PDF Page 22-25; and Summary of Significant Accounting Policies – Related Party Relationships and Transactions, Item 2.20, Page 20, PDF Page 89</p> <p><a href="#">SEC Form ACGR-Consolidated Changes in the ACGR for 2014</a></p>

	COMPLY	EXPLAIN
		Related Party Transactions, Policies and Procedures, Section B(4)(a) Page 24-25; and Disclosure of RPT, Section I(7), Page 54
<b>Guideline No. 10: DEVELOPS AND NURTURES A CULTURE OF ETHICS, COMPLIANCE, &amp; ENFORCEMENT</b>		
10.1 Formally adopt a code of ethics and proper conduct that guides individual behavior and decision making, clarify responsibilities, and inform other stakeholders on the conduct expected from company personnel.	✓	<a href="#">Code of Ethics</a> <a href="#">Code of Conduct</a> PhilNaRe Website/Investors Relations/Other Corporate Information
10.2 Have a formal comprehensive compliance program covering compliance with laws and relevant regulations. The program should include appropriate training and awareness initiatives to facilitate understanding, acceptance and compliance with the said issuances.	✓	<a href="#">Revised Manual of Corporate Governance</a> Compliance System, Item G, Document Page 23-26, PDF Pages 24-27
10.3 Not seek exemption from the application of a law, rule or regulation especially when it refers to a corporate governance issue. Should it do so, it has to disclose the reason for such action as well present the specific steps being taken to finally comply with the applicable law, rule or regulation.	✓	<a href="#">Revised Manual of Corporate Governance</a> Compliance System, Item G, Document Pages 23-26, PDF Pages 24-27  <a href="#">PhilNaRe Website</a> Investors Relations/Other Corporate Information
10.4 Have clear and stringent policies and procedures on curbing and penalizing company or employee involvement in offering, paying and receiving bribes.	✓	<a href="#">Code of Ethics</a> Conflicts of Interest, Section 5, PDF Page 3  <a href="#">Code of Conduct</a> Description of Offense / Violation, Soliciting or receiving fees..., PDF Page 5  <a href="#">PhilNaRe Website</a> Investors Relations/Other Corporate Information
10.5 Have a designated officer responsible for ensuring compliance with all	✓	<a href="#">Revised Manual of Corporate Governance</a>

	COMPLY	EXPLAIN
relevant laws, rules, and regulation, as well as all regulatory requirements.		Compliance System – The Compliance Officer, Item G.3, Document Page 25, PDF Page 26
10.6 Respect intellectual property rights.	✓	<a href="#">Code of Ethics</a> The Norms of Business Conduct and Ethics, Proper Use of Company Assets, Section II (4)(‘c), PDF Page 2  <a href="#">PhilNaRe Website</a> Investors Relations/Other Corporate Information
10.7 Establish and commit itself to an alternative dispute resolution system so that conflicts and difference with counterparties, particularly with shareholders and other key stakeholders, would be settled in a fair and expeditious manner.	✓	<a href="#">Revised Manual of Corporate Governance</a> Alternative Dispute System, item b.6(j), Document Page 11, PDF Page 12  <a href="#">PhilNaRe Website</a> Investors Relations/Other Corporate Information  Web Portal: <a href="#">Investor Relations – Investor Services Contact Information</a> The Company has set-up communication channels for shareholders and key stakeholders. All conflicts and disputes raised are discussed and resolved by Senior Management Committee in consultation with the Board and Legal Counsel, as necessary.

CORPORATE GOVERNANCE GUIDELINES: DISCLOSURE SURVEY

Company Name: **National Reinsurance Corporation of the Philippines**

Date: March 06, 2015

This is to certify that the undersigned reviewed the contents of this document and to the best of my knowledge and belief, the information contained set forth in this document is true, complete and correct.

Done this 6<sup>th</sup> of March, 2015 in Makati City, Philippines.



**Ermilando D. Napa**

---

Independent director



**Augusto Hidalgo**

---

President, CEO, or Authorized Representative

