

COVER SHEET

8 0 1 1 8

SEC Registration Number

NATIONAL REINSURANCE

CORPORATION OF THE PHILIPPINES

(Company's Full Name)

3 1 F B P I - P H I L A M L I F E M A K A T I

6 8 1 1 A Y A L A A V E N U E M A K A T I

(Business Address: No., Street City / Town / Province)

Regina S. Ramos

Contact Person

(02) 988-7400

Company Telephone Number

1 2

Month

3 1

Day

Fiscal Year

SEC Form 17-C
Board Meeting Approvals
April 20, 2017

FORM TYPE

4th Wednesday of June

Month Day

Annual Meeting

Secondary License Type, If Applicable

Dept Requiring this Doc

Total Amount of Borrowings

Total No. of Stockholders

Domestic

Foreign

To be accomplished by SEC Personnel concerned

File Number

LCU

Document ID

Cashier

STAMPS

Remarks: Please use BLACK ink for scanning purposes



SECURITIES AND EXCHANGE COMMISSION

SEC FORM 17-C

CURRENT REPORT UNDER SECTION 17
OF THE SECURITIES REGULATION CODE
AND SRC RULE 17.2(c) THEREUNDER

1. **20 April 2017**
Date of Report (Date of earliest event reported)
2. SEC Identification Number **80118**
3. BIR Tax Identification No. **000-480-869-000**
4. **NATIONAL REINSURANCE CORPORATION OF THE PHILIPPINES**, doing business under the names and styles of **Philippine National Reinsurance Company; PhilNaRe**
Exact name of issuer as specified in its charter
5. **Metro Manila, Philippines**
Province, country or other jurisdiction of incorporation
6. (SEC Use Only)
Industry Classification Code:
7. **31st Floor, BPI-Philam Life Makati,
6811 Ayala Avenue, Makati City**
Address of principal office
8. **1227**
Postal Code
8. **(632) 988-7400**
Issuer's telephone number, including area code
9. **N/A**
Former name or former address, if changed since last report
10. Securities registered pursuant to Sections 8 and 12 of the SRC or Sections 4 and 8 of the RSA

Title of Each Class	Number of Shares of Common Stock Outstanding
Common Shares	2,123,605,600
TOTAL	2,123,605,600

11. Indicate the item numbers reported herein: **Item 9 - (Other Events)**

At the meeting of the Board of Directors of NRCP held today, April 20, 2017, the Board approved the following:

- (1) Appointment of **Mr. Santino U. Sontillano** as Head of Finance. He will replace Ms. Karen Fidelino who was appointed as Officer-in-Charge of the Finance Department last March 16, 2017. Ms. Fidelino will reassume her duties as Head of Management and Technical Accounting.

- (2) Charter of the **Governance and Related Party Transaction Committee** (attached);
- (3) **Manual on Corporate Governance**;
- (4) Subject to stockholders' approval and the favorable endorsement of the Insurance Commission, the Board also approved the **Amendment of Article II of the Articles of Incorporation of the Company** in order to add the following as an additional secondary purpose clause:

To provide consulting, technical, advisory, and other related services to persons, associations, corporations, and other entities in furtherance of the business of insurance and reinsurance.

(5) **Amendment of the By-Laws**

At the annual stockholders' meeting of the company held on June 27, 2012, the authority to amend the Company's By-laws was delegated to the Board of Directors. Pursuant to such authority, the Board of Directors approved the following amendments to the Company's By-Laws:

- (a) Article IV, Sec. 7 in order to read as follows:

Corporate Secretary. The Corporate Secretary shall prepare and keep the minutes of the meetings of the Board of Directors and of the stockholders; the corporate secretary shall have the duty to attend to the correspondence and files of the Corporation; to sign, jointly with the President, all stock certificates; to keep and affix the corporate seal; to record all transfers of stock and cancellations thereof; to keep all stock certificates transferred; to keep in alphabetical order a list of all stockholders of the Corporation and their residences, and the shares owned by each; to perform such other duties as the Board of Directors may assign to him, **and to perform such other duties and responsibilities as may be provided by the Securities and Exchange Commission.**

- (b) Article IV, Sec. 8 in order to read as follows:

Compliance Officer. To ensure adherence to corporate principles and best practices, the Chairman of the Board shall designate a Compliance Officer. He shall have direct reporting responsibilities to the President, and shall perform the following duties:

- a) Monitor compliance with the provisions and requirements of the Corporation's Manual on Corporate Governance and such other government regulatory and reportorial requirements, and identify, monitor, and control compliance risk under the Manual on Corporate Governance and such other regulatory requirements;
- b) Report violation/s of or noncompliance with the Manual on Corporate Governance and other regulatory requirements to the Board of Directors through the Chairman of the Board;
- c) Issue a certification within thirty (30) days after every end of a calendar year on the extent of the Corporation's compliance with the Manual on Corporate Governance and other regulatory requirements for the completed year, explaining the reason/s of the latter's deviation from the same;

- d) Appear before the Securities and Exchange Commission and the Insurance Commission upon summons on similar matters that need to be clarified by the same; and
- e) **Perform such other duties and responsibilities as may be provided by the Securities and Exchange Commission.**

(c) Article V, Sections 2 in order to read as follows:

Board Committees. *"The Board of Directors shall constitute Committees to support the effective performance of its functions and to promote good governance principles and practices, namely: Audit Committee, Nomination and Compensation Committee, Governance and Related Party Transaction Committee, Risk Oversight Committee, Underwriting Committee, Investment and Budget Committee, and such other committees to be determined by the Board of Directors or as required by the SEC or other government regulatory agencies."*

(d) Article V, Section 4 in order to read as follows:

Nomination and Compensation Committee. *The Nomination and Compensation Committee shall be composed of at least three (3) members, one of whom shall be an independent director. This committee shall review and evaluate the qualifications of all persons nominated to the Board as well as those nominated to other positions requiring appointment by the Board and provide assessment on the Board's effectiveness in directing the process of renewing and replacing Board members. It may establish a formal and transparent procedure for developing a policy on executive remuneration, and for fixing the remuneration packages of corporate officers and directors, and provide oversight over remuneration of senior management and other key personnel.*

(e) Article V, Section 5 in order to read as follows:

Governance and Related Party Transaction Committee.*The Governance and Related Party Transaction Committee shall have at least three (3) Members, all of whom are independent directors. It shall assist the Board in performing its oversight role in the company's compliance with its Manual on Corporate Governance and the review of material related party transactions, to obtain reasonable assurance that such transactions are conducted on an arm's length basis and that no stakeholder is unduly disadvantaged.*

(f) Article V, Section 6 in order to read as follows:

Risk Oversight Committee. *The Risk Oversight Committee in general shall be composed of at least three (3) members, majority of whom should be Independent Directors, including the Chairman. The Committee shall assist the Board in the development and oversight of the company's risk management program.*

(g) Article V, Section 7 in order to read as follows:

Underwriting Committee. The Underwriting Committee shall be composed of at least three (3) members including the Chairman, who shall be appointed by a majority vote of the Board. The Committee shall assist the Board in the development and oversight of the company's underwriting and reinsurance management program.

(h) Article V, Section 8 in order to read as follows

Investment and Budget Committee. The Investment and Budget Committee shall be composed of at least three (3) members including the Chairman, who shall be appointed by a majority vote of the Board. The Committee is authorized by the Board to implement the Company's investment strategy and to make specific investments in accordance with the provisions of the Company's investment policy.

(i) Article VI, Section 1 in order to read as follows:


Independent Director. The Corporation shall have at least three (3) independent directors, or such number as shall be required under the applicable rules and regulations of the Insurance Commission, the Securities and Exchange Commission and other applicable regulatory agency.

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 **April 20, 2017**.

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

April 20, 2017
Date


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Regina S. Ramos
Vice President, Head of Risk & Compliance

**Committee Charter of the
Governance and Related Party Transaction
Board Committee of
National Reinsurance Corporation of the
Philippines**

GOVERNANCE AND RELATED PARTY TRANSACTION COMMITTEE CHARTER

A. PURPOSE

The Governance and Related Party Transaction Committee (the "Committee") shall assist the Board of Directors (the "Board") in performing its oversight role in relation to the following:

1. NRCP's compliance with its Manual on Corporate Governance¹ (the "Manual"). This Manual adopts the good governance principles and practices recommended under the 2016 Code of Corporate Governance for Publicly Listed Companies of the Securities and Exchange Commission (SEC), the Corporate Governance Guidelines for Listed Companies of the Philippine Stock Exchange (PSE), and related corporate governance circulars of the Insurance Commission.
2. A review of all material Related Party Transactions³ (RPTs). The Committee shall review RPTs in order to provide reasonable assurance that there is effective compliance with existing laws, rules and regulations at all times, that RPTs are conducted on an arm's length basis⁴, and that no stakeholder is unduly disadvantaged.

B. AUTHORITY

1. The Committee shall report directly to the Board on its decisions or recommendations, unless there are legal and/or regulatory restrictions on its ability to do so (such as a restriction on disclosure due to regulatory requirements).
2. The Committee shall have the right to require the management of the Company to furnish all information requested by the Committee as may be required for the purpose of performing its duties.
3. As necessary, the Committee is authorized to obtain independent external professional advice and to secure assistance from external parties with relevant experience and expertise where it considers necessary. The Committee shall have the authority to approve all reasonable related fees and terms of engagement, which fees shall be borne by the Company.
4. The Committee shall be provided with sufficient resources to perform its duties.

C. COMPOSITION

1. The Committee shall have at least three (3) Members, all of whom shall be independent directors.
2. The Chairman and the Members of the Committee shall be appointed by the Board. The Chairman of the Committee or any of its members may be removed from office only by the Board. If the office of a member is vacated, the Board shall appoint a new member in order to meet the required composition of the Committee.

D. MEETING AND COMMUNICATION PLAN

1. The Committee will meet at least once every quarter or as deemed necessary. A simple majority of the members must attend to constitute a quorum.
2. The Committee may invite any officer or employee or external parties of the Company to attend its meeting as it deems necessary.
3. The agenda of the meeting will be prepared and provided in advance to members, along with appropriate briefing materials. Minutes will be prepared and approved after every meeting.
4. The Committee shall report to the Board on such meetings and such other matters as required by this Charter or as the Board shall, from time to time, specify.

E. RESPONSIBILITIES

a. Governance

The Committee is tasked with providing reasonable assurance that the Company complies with and observes corporate governance principles and practices. It has the following duties and functions, among others:

Corporate Governance Principles and Practices

1. Oversee the implementation of the company's corporate governance framework, which encompasses the governance structure, principles, policies, processes and practices that contributes to the Board's effective performance of its corporate governance responsibilities. The fundamental relationships among the Board, its committees, management, shareholders and other stakeholders comprises the

governance structure, through which the company's ethical values and strategic and corporate objectives are set and plans for achieving those objectives and monitoring performance are determined.

2. Adopt corporate governance policies and guidelines and have these reviewed and updated regularly and implemented consistently both in form and substance.
3. Evaluate the annual assessment result of required corporate governance scorecards, prior to disclosure to the regulatory agencies.
4. Monitor developments in the area of corporate governance and recommend initiatives that will help the Company maintain the highest standards of corporate governance.

Board and Committee Composition and Procedures

5. Review at least annually with the Board the size and composition of the Board as a whole and recommend, if necessary, measures to be taken so that the Board reflects the appropriate balance of background, diversity, age, skills and experience required for the Board as a whole and contains at least the minimum number of independent directors recommended and satisfy any other related legal or regulatory requirements.
6. Evaluate whether the necessary and appropriate committees exist to support the work of the Board and make recommendations to the Board for the allocation of responsibilities among committees, the creation of additional committees or subcommittees, or the elimination of committees as it determines appropriate.
7. Make recommendations concerning any other aspect of the procedures of the Board that the Committee considers warranted, including, but not limited to, procedures with respect to the waiver by the Board of any company rule, guideline, procedure or corporate governance principle.
8. Oversee the periodic performance evaluation of the Board and its committees as well as executive management, and conducts an annual self-evaluation of its performance;
9. In relation to item (8) above, have the results of the Board evaluation shared, discussed, and that concrete action plans are developed and implemented to address the identified areas for improvement;

10. Oversee the continuing education programs for directors including orientation of newly appointed directors and assess improvements necessary to keep directors engaged and well informed.

Code of Ethics

11. Review and evaluate the effectiveness of the company's Code of Ethics and Conduct and oversee the process implemented to monitor compliance with the Code.

b. Related Party Transactions

The Committee is tasked with reviewing all material related party transactions (RPTs) of the company. The following are the functions of the Committee, among others:

1. Evaluate on an ongoing basis existing relations between and among businesses and counterparties to provide reasonable assurance that all related parties² are continuously identified, RPTs are monitored, and subsequent changes in relationships with counterparties (from non-related to related and vice versa) are captured;
2. Evaluate all material RPTs to provide reasonable assurance that these are not undertaken on more favorable economic terms (e.g., price, commissions, interest rates, fees, tenor, collateral requirement) to such related parties than similar transactions with non-related parties under similar circumstances and that no company resources are misappropriated or misapplied, and to determine any potential reputational risk issues that may arise as a result of or in connection with the transactions. In evaluating RPTs, the Committee takes into account, among others, the following:
 - a. The related party's relationship to the company and interest in the transaction;
 - b. The material facts of the proposed RPT, including the proposed aggregate value of such transaction;
 - c. The benefits to the company of the proposed RPT;
 - d. The availability of other sources of comparable products or services; and
 - e. An assessment of whether the proposed RPT is on terms and conditions that are comparable to the terms generally available to an unrelated party under similar circumstances.

3. Oversee the disclosures made, and/or information provided to regulating authorities relating to the company's RPT exposures, and policies on conflicts of interest or potential conflicts of interest are appropriate;
4. Report to the Board of Directors on a regular basis, the status and aggregate exposures to each related party, as well as the total amount of exposures to all related parties relative to materiality threshold⁵ levels set;
5. Review whether transactions with related parties, including write-off of exposures were subjected to a periodic independent review or audit process; and
6. Oversee the implementation of the system for identifying, monitoring, measuring, controlling, and reporting RPTs, including the periodic review of RPT policies and procedures.

F. SELF-ASSESSMENT

The Committee shall conduct an annual quality assessment of its performance and shall submit a report on such assessment to the Board.

G. NRCP MANUAL ON CORPORATE GOVERNANCE

The latest Manual on Corporate Governance adopted by the Company shall form an integral part of this Charter and shall guide the Committee in the performance of its role and responsibilities.

H. EFFECTIVITY

The Governance and Related Party Transaction Committee Charter shall require approval of the Board and shall take effect upon the date of its approval.

This document will be reviewed every two years or more frequently in the event that substantive changes are appropriate.

(Approved during the April 20, 2017 Meeting of the Board of Directors)

DEFINITION OF TERMS

1. **Corporate Governance** – the system of stewardship and control to guide organizations in fulfilling their long-term economic, moral, legal and social obligations towards their stakeholders.

Corporate governance is a system of direction, feedback and control using regulations, performance standards and ethical guidelines to hold the Board and senior management accountable for ensuring ethical behavior—reconciling long-term customer satisfaction with shareholder value—to the benefit of all stakeholders and society.

Its purpose is to maximize the organization’s long-term success, creating sustainable value for its shareholders, stakeholders and the nation.

2. **Related Party** - shall cover the company's subsidiaries, as well as affiliates and any party (including their subsidiaries, affiliates and special purpose entities), that the company exerts direct or indirect control over or that exerts direct or indirect control over the company; the company's directors; officers, shareholders and related interests (DOSRI), and their close family members, as well as corresponding persons in affiliated companies. This shall also include such other person or juridical entity whose interest may pose a potential conflict with the interest of the company.
3. **Related Party Transactions** – a transfer of resources, services or obligations between a reporting entity and a related party, regardless of whether a price is charged. It should be interpreted broadly to include not only transactions that are entered into with related parties, but also outstanding transactions that are entered into with an unrelated party that subsequently becomes a related party.
4. **Arm’s Length Basis** - the transaction between two related parties is done as if they were not related, so there is no conflict of interest.
5. **Materiality Threshold** - sets the materiality level of a transaction with related parties where omission or misstatement of the transaction could pose significant risk to the company and could influence the economic decisions of the board of directors and therefore, shall be subject to its review and approval. Materiality threshold may be set for each type of transaction and for each related party group, depending on the nature of the transaction.