

**ANNUAL CORPORATE GOVERNANCE REPORT OF  
MAA GENERAL ASSURANCE PHILS., INC.**

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1. For the fiscal year ended **31 December 2023** \_\_\_\_\_
2. Certificate Authority Number **2022/17-R** \_\_\_\_\_
3. **National Capital Region, Philippines** \_\_\_\_\_  
Province, Country or other jurisdiction of incorporation or organization
4. **10<sup>th</sup> Floor, Pearlbank Centre Bldg., 146 Valero St., Salcedo Village, Makati City, 1227**  
Address of principal office \_\_\_\_\_ Postal Code \_\_\_\_\_
5. **(+632) 8867-2452 to 55; (+632) 7751-3759**  
Company's telephone number, including area code
6. [www.maa.com.ph](http://www.maa.com.ph) \_\_\_\_\_  
Company's official website
7. **N/A** \_\_\_\_\_  
Former name, former address, and former fiscal year, if changed since last report

ANNUAL CORPORATE GOVERNANCE REPORT			
	COMPLIANT/ NON- COMPLIANT	ADDITIONAL INFORMATION	EXPLANATION
<b>The Board's Governance Responsibilities</b>			
<b>Principle 1:</b> 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.			
<b>Recommendation 1.1</b>			
1. Board is composed of directors with collective working knowledge, experience or expertise that is relevant to the company's industry/sector.	<b>COMPLIANT</b>	The organization adheres to its <b>Manual on Corporate Governance</b> in the selection of the members of the Board <u><a href="#">under Art. 4, Item No. 6 – Members of the Board, p. 8 onwards.</a></u>  (MCG as accessible thru <a href="https://maa.com.ph/corporate-documents/">https://maa.com.ph/corporate-documents/</a> )	
2. Board has an appropriate mix of competence and expertise.	<b>COMPLIANT</b>	(MCG as accessible thru <a href="https://maa.com.ph/corporate-documents/">https://maa.com.ph/corporate-documents/</a> )	
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.	<b>COMPLIANT</b>	Moreover, current directors of the organization possess professional knowledge and skills germane to the insurance industry as well as relevant competence and expertise to fulfill their roles and responsibilities as members of the Board as supported by their professional and academic qualifications. (See Also: <u><a href="#">Profile of MAA Board of Directors</a></u> )	
<b>Recommendation 1.2</b>			
1. Board is composed of a majority of non-executive directors.	<b>COMPLIANT</b>	8 out of 9 members of the Board are non-executive directors (See: <u><a href="#">Profile of MAA Board of Directors</a></u> )	
<b>Recommendation 1.3</b>			
1. Company provides in its Board Charter or Manual on Corporate Governance a policy on training of directors.	<b>COMPLIANT</b>	<u><a href="#">Art. 4, Item No. 6, A, first and second paragraphs on page 8</a></u> of the organization's <b>Manual on Corporate Governance</b> provides its provision as to the training of its directors.  (MCG as accessible thru <a href="https://maa.com.ph/corporate-documents/">https://maa.com.ph/corporate-documents/</a> )	

2. Company provides in its Board Charter or Manual on Corporate Governance an orientation program for first time directors.	<b>COMPLIANT</b>	<a href="#">Art. 4, Item No. 6, A, first paragraph on page 8</a> of the organization's <b>Manual on Corporate Governance</b> provides its policy on the providing orientation programme for newly-appointed members of the Board.	
3. Company has relevant annual continuing training for all directors.	<b>COMPLIANT</b>	<a href="#">Art. 4, Item No. 6, a-4 and second paragraph on page 8</a> of the organization's <b>Manual on Corporate Governance</b> provides its provision as to the regular training and professional education program of its directors by including this in the annual budget.  (MCG as accessible thru <a href="https://maa.com.ph/corporate-documents/">https://maa.com.ph/corporate-documents/</a> )	
<b>Recommendation 1.4</b>			
1. Board has a policy on board diversity	<b>COMPLIANT</b>	<a href="#">Item II (F) of the Code of Business Conduct and Ethics on page 5</a> elucidates the Company's policy on board diversity and inclusion.  (CBCE as accessible thru <a href="https://maa.com.ph/corporate-documents/">https://maa.com.ph/corporate-documents/</a> )  (See Also: <i>Profile of the Members of the Board</i> )	
<b>Recommendation 1.5</b>			
1. Board is assisted in its duties by a Corporate Secretary.	<b>COMPLIANT</b>	1. <b>Atty. Carlos T. Ocampo</b> is the Company's Corporate Secretary and plays a significant role in supporting the board in the discharge of its responsibilities.  (See Also: <a href="#">Company Website – Board of Directors</a> )	
2. Corporate Secretary is a separate individual from the Compliance Officer.	<b>COMPLIANT</b>		
3. Corporate Secretary is not a member of the Board of Directors.	<b>NON-COMPLIANT</b>	2. The Company's Corporate Secretary and Compliance Officer are not one and the same person. The former being Atty. Carlos T. Ocampo while the latter being Atty. Lady Lanie C. Esquivel, Manager for Legal & Corporate Compliance.	Although the Corporate Secretary is a current member of the Board, this does not interfere with the performance of his corporate and directorial functions and duties in any way. Moreover, in his tenure as the Corporate Secretary

		(See: <a href="#">Company Website – Board of Directors</a> and <a href="#">Company Website – Senior Management</a> )	while being a member of the Board for twenty (20) years, he has proven to be exceptionally effective in executing his tasks as the corporate secretary and member of the Board.
4. Corporate Secretary attends training/s on corporate governance.	<b>COMPLIANT</b>	The Corporate Secretary attended the Annual Training on Corporate Governance Seminar for 2023 as evidenced by his <a href="#">certificate of attendance</a> to the said webinar.  [File accessible thru <a href="https://maa.com.ph/corporate-documents/">https://maa.com.ph/corporate-documents/</a> under Corporate Governance Training Certificate(s)]	
<b>Recommendation 1.6</b>			
1. Board is assisted by a Compliance Officer.	<b>COMPLIANT</b>	1.The Company’s Compliance Officer and Senior Manager for Legal & Corporate Compliance, Atty. Lady Lanie Esquivel, not only assists the Board but also has the support and direct line of communication to the same.	
2. Compliance Officer has a rank of Vice President or an equivalent position with adequate stature and authority in the corporation.	<b>COMPLIANT</b>	<a href="#">Art. 4, Item No. 6, J on page 18 of the Manual on Corporate Governance</a> specifies the qualifications, duties and functions of the Compliance Officer.	
3. Compliance Officer is not a member of the board.	<b>COMPLIANT</b>	(MCG as accessible thru <a href="https://maa.com.ph/corporate-documents/">https://maa.com.ph/corporate-documents/</a> )  2.The Compliance Officer is also the Senior Manager for Legal & Corporate Compliance of the company.  (See Also: <a href="#">Company Website – Senior Management</a> )  3.Lastly, she is not a member of the board but of the upper management.	

		(See: <a href="#">Company Website – Senior Management</a> )	
4. Compliance Officer attends training/s on corporate governance annually.	<b>COMPLIANT</b>	The Compliance Officer regularly attends relevant trainings on corporate governance and/or anti-money laundering, the latest being the <a href="#">AML CTF Training</a> and <a href="#">Corporate Governance Scorecard Workshop for Insurance Companies</a> by the Institute of Corporate Directors (ICD) held last April 23-24, 2024.	
<b>Principle 2:</b> 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>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.	<b>COMPLIANT</b>	Members of the Board execute their responsibilities and actively participate in meetings in observance of their roles and responsibilities in accordance with the <a href="#">Manual on Corporate Governance</a> and as evidenced by the <a href="#">Minutes of the Meeting</a>  [Files as accessible thru <a href="https://maa.com.ph/corporate-documents/">https://maa.com.ph/corporate-documents/</a> ]	
<b>Recommendation 2.2</b>			
1. Board oversees the development, review and approval of the company’s business objectives and strategy.	<b>COMPLIANT</b>	Performance of the monitoring, review and approval of the organization’s business objectives and strategy as well as their implementation is substantiated by the <a href="#">Minutes of the Meeting</a>  [File as accessible thru <a href="https://maa.com.ph/corporate-documents/">https://maa.com.ph/corporate-documents/</a> under Meetings]	
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.	<b>COMPLIANT</b>		
<b>Recommendation 2.3</b>			
1. Board is headed by a competent and qualified Chairperson.	<b>COMPLIANT</b>	Santiago Javier Ranada, a former Associate Justice of the Court of Appeals and Commissioner of the Insurance Commission is the Company’s Chairman of the Board until his resignation in January 24, 2024.	

		(See Also: <a href="#">Profile of Mr. Santiago Ranada</a> and <a href="#">Company Website – Board of Directors</a> )	
<b>Recommendation 2.4</b>			
1. Board ensures and adopts an effective succession planning program for directors, key officers and management.	<b>COMPLIANT</b>	1. This is one of the primary responsibilities of the Board as stated under <a href="#">Art. 4, No. 2-e, page 5 of the Manual on Corporate Governance</a> . There is also a <a href="#">succession planning program</a> in place.	
2. Board adopts a policy on the retirement for directors and key officers.	<b>COMPLIANT</b>	<p>[Files as accessible thru <a href="https://maa.com.ph/corporate-documents/">https://maa.com.ph/corporate-documents/</a>]</p> <p>2. The Board adheres to its retirement policy covering the organization’s employees, key officers and directors as set out in its Internal Control Procedure on Human Resources and Administration under Retirement Benefit Plan.</p> <p>Furthermore, the Board has established a Remuneration Committee as per <a href="#">Art. 4, F.5, page 14 of the Manual on Corporate Governance</a> that shall be responsible in matters involving retirement of employees, directors and key officers.</p> <p>See also: <a href="#">Terms of Reference of the Remuneration Committee</a></p>	
<b>Recommendation 2.5</b>			
1. Board formulates and adopts a policy specifying the relationship between remuneration and performance of key officers and board members.	<b>COMPLIANT</b>	<p>Please refer to the following files as posted in the Company website as to matters regarding remuneration:</p> <ul style="list-style-type: none"> <li>• <a href="#">Terms of Reference of the Remuneration Committee</a></li> </ul>	
2. Board aligns the remuneration of key officers and board members with long-term interests of the company.	<b>COMPLIANT</b>	<ul style="list-style-type: none"> <li>• <a href="#">Art.4, Item No. 7 – Remuneration of Directors and Officers, pages 19 to 20 of the Manual on Corporate Governance</a></li> </ul>	
3. Directors do not participate in discussions or deliberations involving his/her own remuneration.	<b>COMPLIANT</b>		

		<p>See <a href="#">Art.4, Item No. 7, j – Remuneration of Directors and Officers, page 20 of the Manual on Corporate Governance</a></p> <p>See <a href="#">Art.4, Item No. 7,i – Remuneration of Directors and Officers, page 14 of the Manual on Corporate Governance</a></p> <p>(MCG as accessible thru <a href="https://maa.com.ph/corporate-documents/">https://maa.com.ph/corporate-documents/</a>)</p>	
<b>Recommendation 2.6</b>			
1. Board has a formal and transparent board nomination and election policy.	<b>COMPLIANT</b>	<p>1. The <b>Nomination Committee</b> as well as its <b>terms of reference</b> provide for the applicable and relevant provisions on board nomination and election policy.</p> <p>See <a href="#">Art. 4, Item No. 6, F. Board Committees, under F.1 Nomination Committee for the nomination and election policy of the Board starting from page 12 of the Manual on Corporate Governance</a> and <a href="#">Terms of Reference for Nomination Committee</a></p> <p>2. See <a href="#">Art. 4, Item No. 6, F. Board Committees, under F.1 Nomination Committee for the nomination and election policy of the Board starting from page 12 of the Manual on Corporate Governance</a></p> <p>3. See <a href="#">Art. 4, Item No. 9 Election/Re-election, b. as to how the company accepts nominations from minority shareholders on page 20 of the Manual on Corporate Governance</a></p> <p>4. See <a href="#">Art. 4, Item No. 6, F. Board Committees, under F.1 Nomination Committee for the nomination and election policy of the Board starting from page 12 of the Manual on</a></p>	
2. Board nomination and election policy is disclosed in the company’s Manual on Corporate Governance.	<b>COMPLIANT</b>		
3. Board nomination and election policy includes how the company accepts nominations from minority shareholders.	<b>COMPLIANT</b>		
4. Board nomination and election policy includes how the board reviews nominated candidates.	<b>COMPLIANT</b>		
5. Board nomination and election policy includes an assessment of the effectiveness of the Board’s processes in the nomination, election or replacement of a director.	<b>COMPLIANT</b>		
6. Board has a process for identifying the quality of directors that is aligned with the strategic direction of the company.	<b>COMPLIANT</b>		

		<p><a href="#">Corporate Governance</a> and <a href="#">Terms of Reference for Nomination Committee</a></p> <p>5. This is being performed by the nomination committee in adherence to <a href="#">Art. 4, Item No. 6, F. Board Committees, under f.1.7 on page 12 of the Manual on Corporate Governance</a></p> <p>6. This is being performed by the nomination committee in adherence to <a href="#">Art. 4, Item No. 6, F. Board Committees, under f.1.8 on page 12 of the Manual on Corporate Governance</a></p> <p>(TOR for Nomination Committee as accessible thru <a href="https://maa.com.ph/board-of-directors">https://maa.com.ph/board-of-directors</a> under Related Documents &gt; Board Committees &gt; Board Committee Charters/Terms of Reference)</p>	
<b>Recommendation 2.7</b>			
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.	<b>COMPLIANT</b>	1. There is a <a href="#">policy on related party transactions (RPTs)</a> in place which the Company adheres to with regard related party transactions between the Corporation and a Related Party.	
2. RPT policy includes appropriate review and approval of material RPTs, which guarantee fairness and transparency of the transactions.	<b>COMPLIANT</b>	2. The <a href="#">RPT Policy</a> in place provides for the review and approval of material RPTs.	
3. RPT policy encompasses all entities within the group, taking into account their size, structure, risk profile and complexity of operations.	<b>COMPLIANT</b>	3. The <a href="#">RPT Policy</a> takes into account these parameters. (page 5 of the Policy)	
		[RPT Policy as accessible thru <a href="https://maa.com.ph/corporate-documents/">https://maa.com.ph/corporate-documents/</a> under Other Corporate Governance Policies and Documents]	
<b>Recommendation 2.8</b>			



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).	<b>COMPLIANT</b>	Approval of selection of the Corporation's Management is one of the responsibilities of the Board as stated under <a href="#">Art. 4 No. 2-e,h,l and m on page 5 of the Manual on Corporate Governance</a> .  (MCG as accessible thru <a href="https://maa.com.ph/corporate-documents/">https://maa.com.ph/corporate-documents/</a> )	
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)	<b>COMPLIANT</b>	Assessment of the performance of the Corporation's Management is one of the responsibilities of the Board as stated under <a href="#">Art. 4 Item No. 2-m on page 5 of the Manual on Corporate Governance</a> which is being done annually with the aid of the Human Resources Department.  (MCG as accessible thru <a href="https://maa.com.ph/corporate-documents/">https://maa.com.ph/corporate-documents/</a> )	
<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.	<b>COMPLIANT</b>	<a href="#">Art. 4, Item No. 2-q on page 5 of the Manual on Corporate Governance</a> sets out the responsibility of the Board to establish an effective performance management framework to be observed to by the Management as well as the CEO. <a href="#">Art. 4, Item No. 2-q on page 5 of the Manual on Corporate Governance</a> sets out the responsibility of the Board to establish an effective performance management framework to be	
2. Board established an effective performance management framework that ensures that personnel's performance is at par with the standards set by the Board and the Senior Management.	<b>COMPLIANT</b>	adhered to by all employees.  (MCG as accessible thru <a href="https://maa.com.ph/corporate-documents/">https://maa.com.ph/corporate-documents/</a> )	
<b>Recommendation 2.10</b>			
1. Board oversees that an appropriate internal control system is in place.	<b>COMPLIANT</b>	<a href="#">Art. 4, Item No. 2-g on page 5 and Item No. 6. Under H. Internal Control Responsibilities of the Board of the Manual on</a>	

<p>2. The internal control system includes a mechanism for monitoring and managing potential conflict of interest of the Management, members and shareholders.</p>	<p><b>COMPLIANT</b></p>	<p><a href="#">Corporate Governance</a> provide for this responsibility of the Board.</p> <p><a href="#">Art. 4, Item No. 6. Under H. Internal Control Responsibilities of the Board on page 17 of the Manual on Corporate Governance</a> provides for the inclusion of this mechanism.</p> <p>(MCG as accessible thru <a href="https://maa.com.ph/corporate-documents/">https://maa.com.ph/corporate-documents/</a>)</p>	
<p>3. Board approves the Internal Audit Charter.</p>	<p><b>COMPLIANT</b></p>	<p>The Board approved <a href="#">The Terms of Reference/Charter for the Audit Committee</a> which also incorporates the mechanism for internal audit on 14 March 2012.</p> <p>See also: <a href="#">The Risk Management Statement for the mechanism on internal audit</a></p> <p>[Files as accessible thru <a href="https://maa.com.ph/board-of-directors/">https://maa.com.ph/board-of-directors/</a>]</p>	
<p><b>Recommendation 2.11</b></p>			
<p>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.</p>	<p><b>COMPLIANT</b></p>	<p>1. <a href="#">The Risk Management Statement</a> provides the enterprise risk management framework of MAAGAP.</p> <p>Moreover, <a href="#">MAAGAP's Anti-Corruption Policy</a> under its section on Risk Assessment sets out its Enterprise Risk Management (ERM) framework.</p>	
<p>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.</p>	<p><b>COMPLIANT</b></p>	<p>[ACP as accessible thru <a href="https://maa.com.ph/corporate-documents/">https://maa.com.ph/corporate-documents/</a> under Other Corporate Governance Policies and Documents]</p> <p><a href="#">Art. 4, 6, H of the Manual on Corporate Governance, Page 17,</a> provides the Internal control procedure of MAAGAP.</p>	

		<p>See also <a href="#">Terms of Reference of The Risk Management Committee</a></p> <p>2. <a href="#">The Risk Management Statement</a> provides the enterprise risk management framework of MAAGAP.</p> <p>Moreover, <a href="#">MAAGAP's Anti-Corruption Policy</a> under its section on Risk Assessment sets out its Enterprise Risk Management (ERM) framework.</p> <p><a href="#">Art. 4, 6, H of the Manual on Corporate Governance, Page 17,</a> provides the Internal control procedure of MAAGAP.</p> <p>See also <a href="#">Terms of Reference of The Risk Management Committee</a></p>	
<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.	<b>COMPLIANT</b>	<a href="#">Article 4, Manual on Corporate Governance</a> and <a href="#">Corporate Governance on the Company Website</a> provides for the Board Charter that guides the Board in performing their functions and carrying out their responsibilities.	
2. Board Charter serves as guide to the directors in the performance of their functions.	<b>COMPLIANT</b>	<a href="#">Article 4, Manual on Corporate Governance</a> and <a href="#">Corporate Governance on the Company Website</a> provides for the Board Charter that guides the Board in performing their functions and carrying out their responsibilities.	
3. Board Charter is publicly available and posted on the company's website	<b>COMPLIANT</b>	<p>The <a href="#">Board Charter/Manual on Corporate Governance under Corporate Documents</a> is publicly posted on MAAGAP's official website.</p> <p>(As accessible thru <a href="https://maa.com.ph/corporate-documents/">https://maa.com.ph/corporate-documents/</a>)</p>	

**Principle 3:** 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.

**Recommendation 3.1**

<p>1. Board establishes board committees that focus on specific board functions to aid in the optimal performance of its roles and responsibilities.</p>	<p><b>COMPLIANT</b></p>	<p>Information on <a href="#">MAAGAP Board Committees<sup>1</sup></a> as well as its <a href="#">composition<sup>2</sup></a> are publicly posted in the Company website under Board of Directors.</p> <p><sup>1</sup> as of 16 May 2024 <sup>2</sup> as of year ended 31 December 2023</p>	
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**Recommendation 3.2**

<p>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.</p>	<p><b>COMPLIANT</b></p>	<p>Relevant information on MAAGAP Audit Committee are stated in detail in the <a href="#">Terms of Reference for the Audit Committee</a> and <a href="#">Art. 4, F.2 and Art. 6 on Accountability and Audit of the Manual on Corporate Governance</a></p>	
<p>2. Audit Committee is composed of at least three appropriately qualified non-executive directors, the majority of whom, including the Chairman is independent.</p>	<p><b>COMPLIANT</b></p>	<p>The <a href="#">Audit Committee</a> is composed of three non-executive directors, two of which are independent directors. Moreover, <a href="#">profile of the members of the Audit Committee</a> is posted on the Company website under Board of Directors.</p> <p>(Note: Atty. Lope Torres served as a member of the audit committee until his resignation in January 2024. See also <a href="#">Atty. Lope Torres’ Profile</a>)</p>	
<p>3. All the members of the committee have relevant background, knowledge, skills, and/or experience in the areas of accounting, auditing and finance.</p>	<p><b>COMPLIANT</b></p>	<p>Members of the Audit Committee are appropriately qualified to hold their positions and perform their functions as supported by their <a href="#">background and qualifications under Board of Directors of the Company website</a>.</p> <p>(See also: <a href="#">Atty. Lope Torres’ Profile</a>)</p>	

<p>4. The Chairman of the Audit Committee is not the Chairman of the Board or of any other committee.</p>	<p><b>PARTIALLY COMPLIANT</b></p>	<p>The Chairman of the Audit Committee is not the Chairman of Board. However, he also holds chairmanship to other committees.</p>	<p>As of 31 December 2023, the Board only has two (2) independent directors, namely, Mr. Efren Abu and Mr. Abraham Abesamis. The former being the chairman of the CG Committee while the latter being the chairman of RPT Committee. Since it is also a recommended corporate governance principle to appoint independent directors as chairman of the aforementioned committees, the Board is constrained to have Mr. Efren Abu hold multiple chairmanships. Nonetheless, the Board ensures that the independent directors perform their roles and responsibilities for each committee where they hold chairmanships.</p> <p>See: <a href="#">composition of MAAGAP Board Committees as of 31 December 2023</a></p>
<p><b>Recommendation 3.3</b></p>			
<p>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.</p>	<p><b>COMPLIANT</b></p>	<p>The Board has a Corporate Governance Committee in place. Information about the same such as its roles and responsibilities, membership and composition, etc. are stated in the <a href="#">Corporate Governance Committee Charter</a> and <a href="#">Art. 4, F.7 on page 14 of the Manual on Corporate Governance</a>.</p> <p>[CG Committee Charter as accessible thru <a href="https://maa.com.ph/board-of-directors/">https://maa.com.ph/board-of-directors/</a> and MCG thru <a href="https://maa.com.ph/corporate-documents/">https://maa.com.ph/corporate-documents/</a> ]</p>	
<p>2. Corporate Governance Committee is composed of at least three members,</p>	<p><b>COMPLIANT</b></p>	<p>The CG Committee is composed of three (3) members. Two of its three members are independent directors.</p>	

majority of whom should be independent directors.		See: <a href="#">Composition of Board Committees as of 31 December 2023</a> and <a href="#">Profile of Members of the Board</a>	
3. Chairman of the Corporate Governance Committee is an independent director.	<b>COMPLIANT</b>	Mr. Efren L. Abu, an independent director, is the Chairman of the CG Committee as per <a href="#">Composition of Board Committees as of 31 December 2023</a>  [As accessible thru <a href="https://maa.com.ph/board-of-directors/">https://maa.com.ph/board-of-directors/</a> ]	
<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.	<b>COMPLIANT</b>	MAAGAP has a Risk Management Committee (RMC) in place as evidenced by its <a href="#">Manual on Corporate Governance (Art. 4, F.4 on page 13)</a> and its <a href="#">Terms of Reference for the RMC</a> for the said Committee with adherence to the <a href="#">Risk Management Statement</a> which also provides the enterprise risk management framework of MAAGAP.  Moreover, MAAGAP's <a href="#">Anti-Corruption Policy</a> under its section on Risk Assessment sets out its Enterprise Risk Management (ERM) framework.	
2. BROC is composed of at least three members, the majority of whom should be independent directors, including the Chairman.	<b>COMPLIANT</b>	The RMC is composed of two (2) independent directors and one (1) director. The Chairman of the same is an independent director.  See: <ul style="list-style-type: none"> <li>• <a href="#">Board Committee Composition as of 31 December 2023</a></li> <li>• <a href="#">Terms of Reference for the RMC</a></li> <li>• <a href="#">Manual on Corporate Governance (Art. 4, F.4 on page 13)</a></li> </ul>	
3. The Chairman of the BROC is not the Chairman of the Board or of any other committee.	<b>PARTIALLY COMPLIANT</b>	The Chairman of the BROC is not the Chairman of Board. However, he also holds chairmanship to other committees.	As of 31 December 2023, the Board only has two (2) independent directors, namely, Mr. Efren Abu and Mr. Abraham Abesamis. The former being the chairman of the CG Committee while the latter being the

			<p>chairman of RPT Committee. Since it also a recommended corporate governance principle to appoint independent directors as chairman of the aforementioned committees, the Board is constrained to have Mr. Abraham Abesamis hold multiple chairmanships. Nonetheless, the Board ensures that the independent directors perform their roles and responsibilities for each committee where they hold chairmanships.</p> <p>See: <a href="#">composition of MAAGAP Board Committees as of 31 December 2023</a></p>
4. At least one member of the BROC has relevant thorough knowledge and experience on risk and risk management.	<b>COMPLIANT</b>	Atty. Lope R. Torres, who served as a member of the BROC until his resignation in January 2024, is a legal practitioner and has a degree in Accounting, possess relevant thorough knowledge and experience on risk and risk management as supported by his <a href="#">professional background and qualifications</a> . The Committee is also being aided by the <a href="#">Internal Audit Department</a> consists of members who are proficient in risk management.	
<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.	<b>COMPLIANT</b>	<p>MAAGAP has a Related Party Transactions Committee (RPTC) in place as evidenced by its <a href="#">Manual on Corporate Governance (Art. 4, F.8 on page 15)</a> and its <a href="#">RPT Committee Charter</a>.</p> <p>[Files as also accessible under their corresponding headings thru <a href="https://maa.com.ph/corporate-documents/">https://maa.com.ph/corporate-documents/</a> and <a href="https://maa.com.ph/board-of-directors/">https://maa.com.ph/board-of-directors/</a> ]</p>	

2. RPT Committee is composed of at least three non-executive directors, majority of whom should be independent, including the Chairman.	<b>COMPLIANT</b>	<p>The RPTC is composed of two (2) independent directors and one (1) director. The Chairman of the same is an independent director.</p> <p>See:</p> <ul style="list-style-type: none"> <li>• <a href="#">Board Committee Composition as of 31 December 2023</a></li> <li>• <a href="#">RPT Committee Charter</a></li> <li>• <a href="#">Manual on Corporate Governance (Art. 4, F.8 on page 13)</a></li> </ul>	
<b>Recommendation 3.6</b>			
1. All established committees have a Committee Charters stating in plain terms their respective purposes, memberships, structures, operations, reporting process, resources and other relevant information.	<b>COMPLIANT</b>	<p>Refer to the following as posted in the Company website:</p> <ul style="list-style-type: none"> <li>• <a href="#">Board Committee Charters/Terms of Reference</a> under <b>BOARD COMMITTEES</b></li> <li>• <a href="#">Manual on Corporate Governance under Art. 4, 6-F Board Committees, starting from page 12</a></li> </ul>	
2. Committee Charters provide standards for evaluating the performance of the Committees.	<b>COMPLIANT</b>	<p><a href="#">Art. 4, 8. Performance Evaluation on page 20 of the Manual on Corporate Governance</a> provides for the formal and rigorous annual evaluation of the performance of the Board as well as the established committees. See also the <a href="#">Board Performance Assessment Form</a> which also covers the evaluation of the performance of each and every committee.</p>	
3. Committee Charters were fully disclosed on the company's website	<b>COMPLIANT</b>	<p><a href="#">Committee Charters/Terms of References</a> are publicly posted in the Company's website as accessible thru <a href="https://maa.com.ph/board-of-directors/">https://maa.com.ph/board-of-directors/</a> under Related Documents &gt; Board Committees</p>	
<p><b>Principle 4:</b> 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.</p>			
<b>Recommendation 4.1</b>			



<p>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.</p>	<p><b>COMPLIANT</b></p>	<p>Refer to the following as to the adoption of rule of conduct and procedure for board and/or committee meetings:</p> <ul style="list-style-type: none"> <li>• <a href="#">Art. 4, under G.1 Process and Procedure for Tele/Videoconferencing Board and/or Committee Meetings starting from page 15</a> of the <b>Manual on Corporate Governance</b></li> <li>• <a href="#">Notice of the Annual Meeting of the Shareholders for 2023</a></li> <li>• <a href="#">MAAGAP Meetings for the year 2023</a></li> </ul>	
<p>2. The directors review meeting materials for all Board and Committee meetings.</p>	<p><b>COMPLIANT</b></p>	<p><a href="#">Art. 4, under G.1, ii. Convening of the Board Meeting</a> of the <b>Manual on Corporate Governance</b> states that every director participating in the meeting must confirm and ascertain that he/she has received and reviewed the agenda and all the relevant materials for the meeting.</p> <p>[All files under their corresponding headers are also accessible thru <a href="https://maa.com.ph/corporate-documents/">https://maa.com.ph/corporate-documents/</a> ]</p>	
<p>3. The directors ask the necessary questions or seek clarifications and explanations during the Board and Committee meetings.</p>	<p><b>COMPLIANT</b></p>	<p>The directors actively participate during the conduct of the ASM as evidenced by its <a href="#">Minutes for 2023</a>.</p> <p>[File as also accessible thru <a href="https://maa.com.ph/corporate-documents/">https://maa.com.ph/corporate-documents/</a> ]</p>	
<p><b>Recommendation 4.2</b></p>			
<p>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</p>	<p><b>COMPLIANT</b></p>	<p><a href="#">Art. 4.B on Multiple Board Seats of the Manual on Corporate Governance</a> provides for the adoption of guidelines on the number of directorships that its members can hold in stock and non-stock corporations.</p> <p>Information on the present directorships of the Board is posted in the Company website under <a href="#">Board of Directors Profile</a>.</p>	

proposals/views, and oversee the long-term strategy of the company.			
<b>Recommendation 4.3</b>			
1. The directors notify the company's board where he/she is an incumbent director before accepting a directorship in another company.	<b>COMPLIANT</b>	To date, no director has accepted and/or held new directorship in another company.	
<b>Principle 5:</b> The board should endeavor to exercise an objective and independent judgment on all corporate affairs.			
<b>Recommendation 5.1</b>			
1. The Board is composed of at least twenty percent (20%) independent directors.	<b>COMPLIANT</b>	Two (2) out of nine (9) members of the Board are independent directors.  See: <a href="#">Board of Directors Profile</a> or <a href="https://maa.com.ph/board-of-directors/">https://maa.com.ph/board-of-directors/</a>	
<b>Recommendation 5.2</b>			
1. The independent directors possess all the necessary qualifications and none of the disqualifications to hold the position	<b>COMPLIANT</b>	Mr. Abraham Abesamis and Mr. Efren Abu possess all the necessary qualifications and none of the disqualification to hold their positions as independent directors.  See: <ul style="list-style-type: none"> <li>• <a href="#">Board of Directors Profile on the Company website</a></li> <li>• <a href="#">Art. 4, 6. Members of the Board under Qualifications and Disqualifications and D. Independent Directors</a> of the <b>Manual on Corporate Governance</b></li> </ul>	
<b>Recommendation 5.3</b>			
1. The independent directors serve for a maximum cumulative term of nine years.  As far as Insurance Companies are concerned, the foregoing term limit shall be reckoned from 02 January 2015 while	<b>COMPLIANT</b>	Please refer to the profiles of the independent directors detailing their terms of service as posted in the Company website under <a href="#">Board of Directors Profile</a> or <a href="https://maa.com.ph/board-of-directors/">https://maa.com.ph/board-of-directors/</a>	

<p>the reckoning date for Pre-Need Companies and Health Maintenance Organizations shall be from 21 September 2016.</p> <p>For other covered entities, all previous terms served by existing Independent Directors prior to the effectivity of this Circular shall not be included in the application of the term limit prescribed in this item.</p>			
<p>2. The company bars an independent director from serving in such capacity after the term limit of nine years.</p>	<p><b>COMPLIANT</b></p>	<p>Provision on term limits for independent directors is explicitly mentioned under <a href="#">Art 4, 6. Members of the Board, d.7</a> of the <b>Manual on Corporate Governance</b></p>	
<p>3. In the instance that the company retains an independent director in the same capacity after nine years, the board submits to the Insurance Commission a formal written justification and seek shareholders' approval during the annual shareholders' meeting.</p>	<p><b>COMPLIANT</b></p>	<p>No instance of retainment of independent director/s serving beyond the cumulative term of nine years has been committed by the Company.</p>	
<p><b>Recommendation 5.4</b></p>			
<p>1. The positions of Chairman of the Board and Chief Executive Officer are held by separate individuals.</p>	<p><b>COMPLIANT</b></p>	<p><a href="#">Ret. Justice Santiago Javier Ranada is the Chairman of the Board (until his resignation in January 2024)</a> while <a href="#">Mr. Daniel Go is the President/Chief Executive Officer of MAAGAP</a> until his resignation in June 2023, with <a href="#">Mr. Martin Dela Rosa</a> taking his place.</p> <p>See: <a href="#">Profile of the Board of Directors or https://maa.com.ph/board-of-directors/</a></p>	

		Furthermore, <a href="#">Art. 4, 3. Composition of the Board, e. of the Manual on Corporate Governance</a> explicitly provides for the principle wherein the positions of the Chairman of the Board and CEO must be held by separate individuals.	
2. The Chairman of the Board and Chief Executive Officer have clearly defined responsibilities	<b>COMPLIANT</b>	The roles and responsibilities of the Chairman of the Board and Chief Executive Officer are set out under <a href="#">Art. 4, 2-A and B on page 6 of the Manual on Corporate Governance</a> .	
<b>Recommendation 5.5</b>			
1. If the Chairman of the Board is not an independent director or where the roles of Chairman and CEO are being held by one person, the Board should designate lead directors among the independent directors.	<b>COMPLIANT</b>	Whereas the Chairman of Board is not an independent director, the Board appointed one of its independent directors, <b>Mr. Efren Abu, as the lead independent director</b> as a mechanism to ensure independent views and perspectives among the Board and avoid potential conflict of interest.  See: <ul style="list-style-type: none"> <li>• <a href="#">Art. 4, Item 6, d.8 on page 10 of the Manual on Corporate Governance</a></li> <li>• <a href="#">Meetings for 2023, under Non-Executive Directors Meeting</a>, chaired by Mr. Efren Abu as the lead independent director</li> </ul>	
<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.	<b>COMPLIANT</b>	To date, no instance of directors with material interest in any transactions affecting the corporation was recorded during Board discussions held within the covered year.	
<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	<b>COMPLIANT</b>	Refer to the details of the <a href="#">Meeting of Non-Executive Directors in 2023</a> as to the list of attendees. The NEDs Meeting held in 2022 was chaired by the lead independent director, Mr. Efren Abu.	

ensure that proper checks and balances are in place within the corporation.		<i>See also: <a href="#">MAAGAP Meetings for 2023</a></i>	
2. The meetings are chaired by the lead independent director	<b>COMPLIANT</b>		
<b>Principle 6:</b> The best measure of the Board’s effectiveness is through an assessment process. The Board should regularly carry out evaluations to appraise its performance as a body, and assess whether it possesses the right mix of backgrounds and competencies.			
<b>Recommendation 6.1</b>			
1. The Board conducts an annual assessment of its performance as a whole.	<b>COMPLIANT</b>	<a href="#">Art. 4, Item No. 8 on Performance Evaluation of the Manual on Corporate Governance</a> provides for the annual assessment of the Board’s performance.	
2. The performance of the Chairman is assessed annually by the Board.	<b>COMPLIANT</b>	Moreover, adoption of the <a href="#">Board Performance Assessment Form</a> as also accessible thru <a href="https://maa.com.ph/board-of-directors/">https://maa.com.ph/board-of-directors/</a> is being observed pursuant to this provision.	
3. The performance of the individual member of the Board is assessed annually by the Board.	<b>COMPLIANT</b>		
4. The performance of each committee is assessed annually by the Board.	<b>COMPLIANT</b>	Annual performance assessment of the Chairman is being done as per <a href="#">Art. 4, Item No. 8 on Performance Evaluation of the Manual on Corporate Governance</a> and the <a href="#">Board Performance Assessment Form</a> includes items relative to the evaluation of the Chairman’s performance.  Annual performance assessment of the members of the Board is being done as per <a href="#">Art. 4, Item No. 8 on Performance Evaluation of the Manual on Corporate Governance</a> and the <a href="#">Board Performance Assessment Form</a> includes items relative to the evaluation of the members’ performance.  Annual performance assessment of the Board Committees is being done as per <a href="#">Art. 4, Item No. 8 on Performance Evaluation of the Manual on Corporate Governance</a> and the <a href="#">Board Performance Assessment Form</a> includes items relative to the evaluation of the Committees’ performance.	

5. Every three years, the assessments are supported by and external facilitator.	<b>FOR COMPLIANCE</b>		MAAGAP has yet to enlist an external facilitator to conduct assessment on Board performance.
<b>Recommendation 6.2</b>			
1. Board has in place a system that provides, at the minimum, criteria and process to determine the performance of the Board, individual directors and committees.	<b>COMPLIANT</b>	The accomplishment of <a href="#">the Board Performance Assessment Form</a> by the Board members, Senior Management, key officers of MAAGAP as well as its shareholders is being done to evaluate the performance of the Board.	
2. The system allows for a feedback mechanism from the shareholders.	<b>COMPLIANT</b>	The accomplishment of <a href="#">the Board Performance Assessment Form</a> not only by the members of the Board per se but also by relevant shareholders of MAAGAP is being done to elicit feedback on and evaluate the performance of the Board as the form is made available to the public thru <a href="https://maa.com.ph/board-of-directors/">https://maa.com.ph/board-of-directors/</a>	
<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 provide standards for professional and ethical behavior, as well as articulate acceptable and unacceptable conduct and practices in internal and external dealings of the company.	<b>COMPLIANT</b>	The Company's <a href="#">Code of Business Conduct and Ethics</a> provides for the set of principles designed to guide Board, Senior Management and employees to conduct themselves with honesty and integrity in all actions representing the company.  [Also accessible thru <a href="https://maa.com.ph/corporate-documents/">https://maa.com.ph/corporate-documents/</a> ]	
2. The Code is properly disseminated to the Board, senior management and employees.	<b>COMPLIANT</b>	Dissemination and promotion of the Code is explicitly stated under <a href="#">Section II on Enforcement and Monitoring of the Code</a> starting from page 4 -- with Human Resources Department as chiefly responsible in its dissemination to the Board, Senior Management and employees of the organization.	
3. The Code is disclosed and made available to the public through the company website.	<b>COMPLIANT</b>	The <a href="#">Code of Business Ethics and Conduct</a> is publicly posted on the Company website thru <a href="https://maa.com.ph/corporate-documents/">https://maa.com.ph/corporate-documents/</a>	

Recommendation 7.2			
1. Board ensures the proper and efficient implementation and monitoring of compliance with the Code of Business Conduct and Ethics.	<b>COMPLIANT</b>	The Board is guided by the <a href="#">Code of Business Ethics and Conduct</a> , which sets out the proper and efficient implementation and monitoring of compliance with the Code as well as the Company's internal policies as stated under <i>Section II on Enforcement and Monitoring of the Code</i> .	
2. Board ensures the proper and efficient implementation and monitoring of compliance with company internal policies.	<b>COMPLIANT</b>	[File as also accessible thru <a href="https://maa.com.ph/corporate-documents/">https://maa.com.ph/corporate-documents/</a> ]	
Disclosure and Transparency			
<b>Principle 8:</b> The company should establish corporate disclosure policies and procedures that practical and in accordance with best practices and regulatory expectations.			
Recommendation 8.1			
1. Board establishes corporate disclosure policies and procedures to ensure a comprehensive, accurate, reliable and timely report to shareholders and other stakeholders that gives a fair and complete picture of a company's financial condition, results and business operations.	<b>COMPLIANT</b>	This is stated under <a href="#">Art. 9, Disclosure and Transparency of the Manual on Corporate Governance</a> .  Reports relative to the financial condition, results and business operations of the organization are tabled for discussion as substantiated by the recent <a href="#">Annual Shareholders' Meeting</a> and are likewise posted on the <a href="#">Company website</a> .	
Recommendation 8.3			
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 judgment.	<b>COMPLIANT</b>	<a href="#">Individual profiles of the members of the Board</a> detailing their academic qualifications, professional experiences, expertise and relevant trainings attended and <a href="#">Latest General Information Sheet</a> of the company showing their share ownership in the company are posted on the Company website.  [Files as also accessible thru <a href="https://maa.com.ph/board-of-directors/">https://maa.com.ph/board-of-directors/</a> and <a href="https://maa.com.ph/corporate-documents/">https://maa.com.ph/corporate-documents/</a> ]	
Recommendation 8.4			

<p>1. Company provides a clear disclosure of its policies and procedure 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.</p>	<p><b>COMPLIANT</b></p>	<p>Refer to the following corporate documents which contain information on the company’s policy on Board remuneration:</p> <ul style="list-style-type: none"> <li>• <a href="#">Manual on Corporate Governance (Art. 4, F.3, Remuneration Committee and Art. 4., 7. Remuneration of Directors and Officers)</a></li> <li>• <a href="#">Terms of Reference for Remuneration Committee</a></li> </ul>	
<p>2. Company provides a clear disclosure of its policies and procedure for setting Executive remuneration, including the level and mix of the same in the Annual Corporate Governance Scorecard (ACGS) and the Revised Corporation Code.</p>	<p><b>COMPLIANT</b></p>	<p>Refer to the following corporate documents which contain information on the company’s policy on Board remuneration:</p> <ul style="list-style-type: none"> <li>• <a href="#">Manual on Corporate Governance (Art. 4, F.3, Remuneration Committee and Art. 4., 7. Remuneration of Directors and Officers)</a></li> <li>• <a href="#">Terms of Reference for Remuneration Committee</a></li> </ul>	
<p>3. Company discloses the remuneration on an individual basis, including termination and retirement provisions.</p>	<p><b>COMPLIANT</b></p>	<p>Refer to the following corporate documents which contain information on the company’s policy on Board remuneration:</p> <ul style="list-style-type: none"> <li>• <a href="#">Manual on Corporate Governance (Art. 4, F.3, Remuneration Committee and Art. 4., 7. Remuneration of Directors and Officers)</a></li> <li>• <a href="#">Terms of Reference for Remuneration Committee</a></li> </ul> <p>Aside from the policies and procedures on remuneration as stated under the MCG and TOR for Remuneration Committee, the Board also adheres to its retirement policy covering the organization’s employees, key officers and directors as set out in its Internal Control Procedure on Human Resources and Administration under Retirement Benefit Plan, although contents of which cannot be disclosed due to the confidentiality of the information contained in the document.</p>	
<p><b>Recommendation 8.5</b></p>			



<p>1. Company discloses its policies governing Related Party Transactions (RPTs) and other unusual or infrequently occurring transactions.</p>	<p><b>COMPLIANT</b></p>	<p>There is a <a href="#">policy on related party transactions (RPTs)</a> in place which the Company adheres to with regard related party transactions between the Corporation and related parties.</p> <p>To date, no instance of directors with material interest in any transactions affecting the corporation was recorded during Board discussions held within the covered year.</p> <p>(File as accessible thru <a href="https://maa.com.ph/corporate-documents/">https://maa.com.ph/corporate-documents/</a> under Other Corporate Governance Policies and Documents.)</p>	
<p>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.</p>	<p><b>COMPLIANT</b></p>	<p>The <a href="#">policy on related party transactions (RPTs)</a> substantiates to this practice with regard disclosure of material or significant RPTs as duly reviewed and approved by the Board.</p> <p>(File as accessible thru <a href="https://maa.com.ph/corporate-documents/">https://maa.com.ph/corporate-documents/</a> under Other Corporate Governance Policies and Documents.)</p>	
<p><b>Recommendation 8.7</b></p>			
<p>1. Company's corporate governance policies, programs and procedures are contained in its Manual on Corporate Governance (MCG).</p>	<p><b>COMPLIANT</b></p>	<p>The company has a <a href="#">Manual on Corporate Governance</a> which contains its policies, programs and procedures relative to corporate governance. The same is publicly posted on its <a href="#">official website</a>. thru <a href="https://maa.com.ph/corporate-documents/">https://maa.com.ph/corporate-documents/</a></p>	
<p>2. Company's MCG is posted on its company website.</p>	<p><b>COMPLIANT</b></p>		
<p><b>Principle 9:</b> 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.</p>			
<p><b>Recommendation 9.1</b></p>			
<p>1. Audit Committee has a robust process for approving and recommending the appointment, reappointment,</p>	<p><b>COMPLIANT</b></p>	<p>The <a href="#">Terms of Reference of the Audit Committee</a> provides for the information and provision on the approval,</p>	

removal, and fees of the external auditors.		<p>recommendation, reappointment, removal and fees of MAAGAP’s external auditor.</p> <p>[File as also accessible thru <a href="https://maa.com.ph/board-of-directors/">https://maa.com.ph/board-of-directors/</a> under Board Committee Charters/Terms of Reference]</p>	
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.	<b>COMPLIANT</b>	<p>Recommendation by the Audit Committee, approval of the Board and ratification by the shareholders must be established and secured prior to the appointment, reappointment, removal and deliberation on fees of the external auditor are stated on <a href="#">Terms of Reference of the Audit Committee</a>.</p> <p>The <a href="#">Minutes of the Annual Shareholders’ Meeting</a> also shows the percentage of shareholders that ratified the appointment, reappointment, removal and fees of the external auditor.</p>	
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.	<b>COMPLIANT</b>	To date, there is no instance of removal or change of external auditor that was taken up by the Audit Committee during the recent Annual Shareholders’ Meeting.	
<b>Recommendation 9.2</b>			
<p>1. Audit Committee Charter includes the Audit Committee’s responsibility on:</p> <p>i. Assessing the integrity and independence of external auditors;</p> <p>ii. Exercising effective oversight to review and monitor the external auditor’s independence and objectivity; and</p>	<b>COMPLIANT</b>	The roles and responsibilities of the Audit Committee are specified in the <a href="#">Audit Committee Charter</a> , as also accessible thru <a href="https://maa.com.ph/board-of-directors/">https://maa.com.ph/board-of-directors/</a> under Board Committee Charters/Terms of Reference.	

iii. Exercising effective oversight to review and monitor the effectiveness of the audit process, taking into consideration relevant Philippines professional and regulatory requirements.			
2. Audit Committee Charter contains the Committee's responsibility on reviewing and monitoring the external auditor's suitability and effectiveness on an annual basis.	<b>COMPLIANT</b>	This responsibility of the Audit Committee is specified in the <a href="#">Audit Committee Charter</a> , as also accessible thru <a href="https://maa.com.ph/board-of-directors/">https://maa.com.ph/board-of-directors/</a> under Board Committee Charters/Terms of Reference.	
<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 the potential conflict of interest.	<b>COMPLIANT</b>	Provision(s) on non-audit services performed by the external auditor are contained in <a href="#">Audit Committee Charter</a> starting from page 3. Disclosure and particulars of the same are also being tabled for discussion among the members of the Board, lead by the Audit Committee.	
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.	<b>COMPLIANT</b>	The audit committee oversees this responsibility as guided by the provision(s) on non-audit services performed by the external auditor as contained in <a href="#">Audit Committee Charter</a> starting from page 3. The <a href="#">Manual on Corporate Governance on page 13</a> also mentions this function of the committee	
<b>Principle 10:</b> The company should ensure that the material and reportable non-financial and sustainability issues are disclosed.			
<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,	<b>COMPLIANT</b>	The Company adheres to its parent company's <a href="#">Sustainability Report</a> which covers its sustainability practices and policies, as aligned with its established and existing sustainability standard and policies.	

environmental, social and governance (EESG) issues of its business, which underpin sustainability.		Reference: <a href="https://www.maa.my/maa/maagroup/index.php?22023-1023">https://www.maa.my/maa/maagroup/index.php?22023-1023</a>	
2. Company adopts a globally recognized standard/framework in reporting sustainability and non-financial issues.	<b>COMPLIANT</b>		
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)	<b>NON-COMPLIANT</b>		The organization maintains its position not to participate in the facility, primarily on the grounds that the concept does not align with its current business model.

**Principles 11:** 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.

**Recommendation 11.1**

1. The company should have a website to ensure a comprehensive, cost efficient, transparent, and timely manner of disseminating relevant information to the public.	<b>COMPLIANT</b>	The Company's official website can be accessed at <a href="http://maa.com.ph/">http://maa.com.ph/</a>	
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**Internal Control Systems and Risk Management Framework**

**Principle 12:** To ensure the 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.

**Recommendation 12.1**

1. Company has an adequate and effective internal control system in the conduct of its business.	<b>COMPLIANT</b>	The Company has internal control systems in place, one covers and examines its operational aspect and financial conditions while the other focuses on the audit of the quality management system of the Company as <a href="#">an ISO-certified organization</a> . The former is spearheaded by the Internal Audit Committee while the latter is being carried out by the Quality Management Team with the Legal & Corporate Compliance Department as its handling division. Internal audit on the operations of the	
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		<p>company and internal audit on the organization's Quality Management System (QMS) are both being done at least twice a year or when the need arises and/or upon recommendation of Management.</p> <p>See the following reference documents:</p> <ul style="list-style-type: none"> <li>• <a href="#">Art. 4, H. Internal Control Responsibilities of the Board; Art. 6, Accountability and Audit of the Manual on Corporate Governance</a></li> <li>• <a href="#">Audit Committee Charter</a></li> <li>• <a href="#">Internal Audit Department</a></li> </ul>	
2. Company has an adequate and effective enterprise risk management framework in the conduct of its business.	<b>COMPLIANT</b>	<p>Refer to the <a href="#">Risk Management Statement</a> for information on the framework, internal audit, risk management process, evaluation, treatment and monitoring adhered to by the Company.</p> <p>See also the following reference documents:</p> <ul style="list-style-type: none"> <li>• <a href="#">Terms of Reference for the Risk Management Committee</a></li> <li>• <a href="#">Art. 4, F.4 of the Manual on Corporate Governance</a></li> </ul>	
<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 company's operations.	<b>COMPLIANT</b>	<p>The members of the internal audit committee and quality management team are both in-house. One examines the financial and operational aspects of the organization while the other while the other focuses on the audit of the quality management system of the Company as <a href="#">an ISO-certified organization</a></p> <p>See the following reference documents:</p>	

		<ul style="list-style-type: none"> <li>• <a href="#">Art. 4, H. Internal Control Responsibilities of the Board;</a></li> <li>• <a href="#">Art. 6, Accountability and Audit of the Manual on Corporate Governance</a></li> <li>• <a href="#">Audit Committee Charter</a></li> <li>• <a href="#">Internal Audit Department</a></li> </ul>	
<b>Recommendation 12.3</b>			
1. The company has qualified Chief Audit Executive (CAE) appointed by the Board.	<b>COMPLIANT</b>	MAAGAP's <i>Treasurer</i> , Mr. Muhammad Sakin Sim Bin Abdullah, is its <i>Chief Audit Executive (CAE)</i> until his resignation in August 2023. Ms. Adelaida C. Gaborni, SVP for Accounting & Finance, assumed his position as the CAE following his resignation.	
2. CAE oversees and is responsible for the internal audit activity of the organization including that portion that is outsourced to a third-party service provider.	<b>COMPLIANT</b>	See: <a href="#">Senior Management</a>  <a href="#">Art. 4, K. The Chief Audit Executive</a> of the <b>Manual on Corporate Governance</b> lists the duties and responsibilities of the CAE including the conduct and facilitation of internal audit activity of the organization.	
3. In case of a fully outsourced internal audit activity, qualified independent executive or senior management personnel is assigned the responsibility for managing the fully outsourced internal audit activity.	<b>COMPLIANT</b>	Considering the company's size, risk profile and complexity of operations, the management deems that an outsourced internal audit activity is not necessary. In lieu, performance of an internal audit activity is being done by the <a href="#">internal audit department</a> of the organization as appointed by the Board and the Senior Management. Nonetheless, the need for the assignment of such to an independent entity from the management is stated under <a href="#">Art. 4, K. The Chief Audit Executive</a> of the <b>Manual on Corporate Governance</b> .	
<b>Recommendation 12.4</b>			
1. The company has a separate risk management function to identify, assess and monitor key risk exposures.	<b>COMPLIANT</b>	The company has a separate risk management functions which are undertaken by its Chief Risk Officer, Risk Management Committee and Internal Audit Department. Refer to the following reference documents providing information on the Company's risk management function:	

		<ul style="list-style-type: none"> <li>• <a href="#">Risk Management Statement</a></li> <li>• <a href="#">Terms of Reference for the Risk Management Committee</a></li> <li>• <a href="#">Art. 4, F.4 of the Manual on Corporate Governance</a></li> <li>• <a href="#">Internal Audit Department</a></li> </ul>	
<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).	<b>COMPLIANT</b>	MAAGAP's Senior Vice President for Operations, Werhner V. Parel, acts as the Company's Chief Risk Officer (CRO) as shown in the <a href="#">Profile of Members of the Senior Management</a> .	
2. CRO has adequate authority, stature, resources and support to fulfill his/her responsibilities.	<b>COMPLIANT</b>	<p><a href="#">Art. 4, L. The Chief Risk Officer of the Manual on Corporate Governance</a> provides for the CRO's roles, responsibilities and functions.</p> <p>As the SVP for Operations and CRO, he plans, directs, coordinates, and oversees business operations activities in the organization, ensuring development and implementation of efficient operations and cost-effective systems to meet current and future needs of the organization. Moreover, he supervises the entire risk management process and spearheads the development, implementation, maintenance and continuous improvement of risk management processes and documentation, among other duties.</p>	
<b>Cultivating a Synergic Relationship with Shareholders</b>			
<b>Recommendation 13.1</b>			
1. Board ensures that basic shareholder rights are disclosed in the Manual on Corporate Governance.	<b>COMPLIANT</b>	Basic shareholders' rights, pursuant to the Corporation Code, are explicitly stated under <a href="#">Art. 7 of the Manual on Corporate Governance</a> . Likewise, <a href="#">Art. 6 on Accountability and Audit, under Item No. 3 of the Manual</a> lists the role and responsibilities of the Board concerning relation and dialogue with shareholders.	

2. Board ensures that basic shareholder rights are disclosed on the company's website.	<b>COMPLIANT</b>	The <a href="#">Manual on Corporate Governance</a> of the organization, containing the provisions on basic shareholders' rights, is publicly posted in the Company's website under <a href="#">Corporate Documents</a> .	
<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 21 days before the meeting.	<b>COMPLIANT</b>	<a href="#">Notice of the Annual Shareholders' Meeting</a> were sent out to the members of the Board as well as the other shareholders twenty-one (21) days before the date of the meeting.	
<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 Shareholders' Meeting publicly available the next working day.	<b>COMPLIANT</b>	Results of the votes taken are put on record based on the recent <a href="#">minutes of the Annual Shareholders' Meeting</a> as posted on the website under Corporate Documents, MAAGAP Meetings for 2023.	
2. Minutes of the Annual and Special Shareholders' Meetings are available on the company website within five business days from the end of the meeting.	<b>COMPLIANT</b>	The <a href="#">minutes of the Annual Shareholders' Meeting</a> for 2023 is posted on the website under Corporate Documents, MAAGAP Meetings for 2023.	
<b>Recommendation 13.4</b>			
1. Board has an alternative dispute mechanism to resolve intra-corporate disputes in an amicable and effective manner	<b>COMPLIANT</b>	The Board has an alternative dispute resolution system in place as stated under <a href="#">Art. 10 of the Company's Manual on Corporate Governance</a>	



2. The alternative dispute mechanism is included in the company's Manual on Corporate Governance	<b>COMPLIANT</b>	This is explicitly specified under <a href="#">Art. 10 of the Manual on Corporate Governance</a> .	
<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 identified the company's various stakeholders and promotes cooperation between them and the company in creating wealth, growth and sustainability.	<b>COMPLIANT</b>	Refer to the latest <a href="#">General Information Sheet</a> as posted in the website for information about the Company's shareholders.  <a href="#">Art. 6 on Accountability and Audit, under Item No. 3 of the Manual</a> lists the role and responsibilities of the Board concerning relation and dialogue with shareholders.  See: <a href="#">Section H of the Code of Business Conduct and Ethics for the provision involving treatment and protection of shareholders</a> .	
<b>Recommendation 14.2</b>			
1. Board establishes clear policies and programs to provide a mechanism on the fair treatment and protection of stakeholders.	<b>COMPLIANT</b>	Provisions on equitable treatment of shareholders are included in the <a href="#">Code of Business Conduct and Ethics under Section H</a> .	
<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.	<b>COMPLIANT</b>	Stakeholders may lodge their concerns and/or complaints for possible violation of their rights to <a href="mailto:customerservice@maa.com.ph">customerservice@maa.com.ph</a> under the email subject <i>Shareholder Concern/Complaint</i> or reach the Legal & Corporate Compliance Department  References: <ul style="list-style-type: none"> <li>• <a href="#">Section II, D. Whistleblowing Policy of the Code of Business Conduct and Ethics</a></li> </ul>	

		<ul style="list-style-type: none"> <li>• <a href="#">MAAGAP's Whistleblower Policy Plan</a> under Other Corporate Governance Policies and Documents at <a href="https://maa.com.ph/corporate-documents/">https://maa.com.ph/corporate-documents/</a></li> </ul>	
<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.	<b>COMPLIANT</b>	<p>MAAGAP has several programs grounded on the principle of Corporate Social Responsibility (CSR) as it engages its employees and customers in giving back as to make them feel like they have a voice in line with the realization of the company's goals.</p> <p>Under <a href="#">CSR as posted on the Company website</a>, value training for employment, employee and stakeholder training, employee welfare policy, health monitoring and maintenance are among the company policies which cater to employee welfare and their needs.</p>	
<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.	<b>COMPLIANT</b>	<p>MAAGAP has an Anti-Corruption Policy in place that aims to mitigate corrupt practices such as, but not limited to, bribery, fraud, extortion, collusion, conflict of interest and money laundering within the organization.</p> <p>Reference/s:</p> <ul style="list-style-type: none"> <li>• <a href="#">Code of Business Ethics and Conduct</a></li> <li>• <a href="#">Anti-Corruption Policy</a></li> </ul>	
2. Board disseminates the policy and program to employees across the organization through trainings to embed them in the company's culture.	<b>COMPLIANT</b>	As stated in the company's <a href="#">Anti-Corruption Policy under 4. Base Policies</a> , upon employment, employees are issued with the organization's Code of Conduct and Ethics as well as the policy on anti-corruption. Employees are required to read and sign an Employee Personal Affirmation Form; not only to confirm his understanding of this Code of Conduct and Ethics and this	

		policy, but also, his full observation of the various other policies practiced in the organization.	
<b>Recommendation 15.3</b>			
1. Board establishes a suitable framework for whistleblowing that allows employees to freely communicate their concerns about illegal or unethical practices, without fear of retaliation.	<b>COMPLIANT</b>	MAAGAP has a whistleblower policy plan in place to encourage Board members, staff and employees to report suspected or actual occurrence(s) of illegal, unethical or inappropriate events, behaviors and practices without retribution.  Reference: <a href="#">Whistleblower Policy Plan</a> under Other Corporate Governance Policies and Documents at <a href="https://maa.com.ph/corporate-documents/">https://maa.com.ph/corporate-documents/</a>	
2. Board establishes a suitable framework for whistleblowing that allows employees to have direct access to an independent member of the Board or a unit created to handle whistleblowing concerns.	<b>COMPLIANT</b>	The mechanism on whistleblowing employs the Audit Committee as responsible in handling concerns relative thereto as stated <a href="#">under Sections 6 and 10</a> of the <b>Whistleblower Policy Plan</b> .  Employees may send their whistleblowing concerns to <a href="mailto:whistleblower@maa.com.ph">whistleblower@maa.com.ph</a>	
3. Board supervises and ensures the enforcement for the whistleblowing framework.	<b>COMPLIANT</b>	The Board, with the audit committee as the handling unit for whistleblowing matters, monitors, supervises and ensures enforcement for whistleblowing framework as explicated in the <a href="#">whistleblower policy plan</a> under Other Corporate Governance Policies and Documents at <a href="https://maa.com.ph/corporate-documents/">https://maa.com.ph/corporate-documents/</a> .  To date, no incident of whistleblowing has been reported to the appropriate authorities of the organization.	
<b>Principle 16:</b> The company should be socially responsible in all its dealings with the communities where it operates. It should ensure that is interactions serve its environment and stakeholders in positive and progressive manner that is fully supportive of its comprehensive and balanced development.			

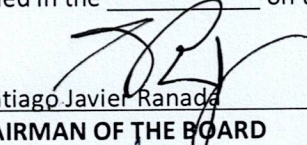
**Recommendation 16.1**

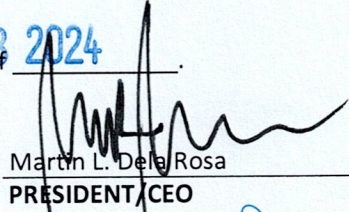
<p>1. Company recognizes and places importance on the interdependence between business and society, and promotes a mutually beneficial relationship that allows the company to grow its business, while contributing to the advancement of the society where it operates.</p>	<p><b>COMPLIANT</b></p>	<p>Under <a href="#">Corporate Social Responsibility</a>, MAAGAP is governed by its principle which aims to contribute to societal goals of a philanthropic or charitable nature by engaging in or supporting volunteering or ethically-oriented practices as well as value training for employment, employee and stakeholder training, employee welfare policy, health monitoring and maintenance and charitable causes.</p>	
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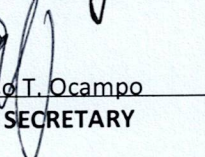
**CERTIFICATION**

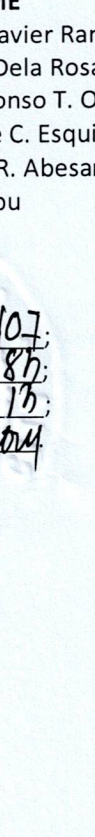
The undersigned certify that the responses and explanations set forth in the above Company's Annual Corporate Governance Report are true, complete and correct of our own personal knowledge and/or based on authentic records.

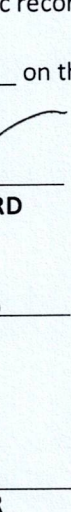
Signed in the \_\_\_\_\_ on the **MAY 23 2024** of \_\_\_\_\_.

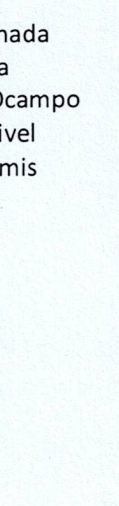
  
Santiago Javier Ranada  
**CHAIRMAN OF THE BOARD**

  
Martin L. Dela Rosa  
**PRESIDENT/CEO**

  
Carlos Alfonso T. Ocampo  
**CORPORATE SECRETARY**

  
Lady Lanie C. Esquivel  
**CORPORATE GOVERNANCE COMPLIANCE OFFICER**

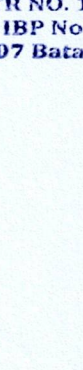
  
Abraham R. Abesamis  
**INDEPENDENT DIRECTOR**

  
Efren L. Abu  
**INDEPENDENT DIRECTOR**

**MAKATI CITY**  
SUBSCRIBED AND SWORN to before me this **MAY 23 2024** day of \_\_\_\_\_, \_\_\_\_\_, by the following who are all 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	ID NO.	DATE/PLACE ISSUED
1. Santiago Javier Ranada	TIN 113-425-468-000	
2. Martin L. Dela Rosa	TIN 104-729-156-000	
3. Carlos Alfonso T. Ocampo	TIN 165-459-497-000	
4. Lady Lanie C. Esquivel	TIN 266-840-282-000	
5. Abraham R. Abesamis	TIN 133-807-178-000	
6. Efren L. Abu	TIN 137-892-502-000	

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Book No. 13;  
Series of 2024

  
**NOTARY PUBLIC**  
**ATTY. JOEL FERRER FLORES**  
Notary Public for Makati City  
Until December 31, 2024  
Appointment No. M-115 (2023-2024)  
Roll Of Attorney No. 77376  
MCLE Compliance VIII No. 0001393-  
Jan. 3, 2023 until Apr. 12, 2028  
PTR NO. 10073945/ Jan. 2, 2024/ Makati City  
IBP No. 330740/ Jan. 2, 2024/ Pasig City  
1107 Bataan St., Guadalupe Nuevo, Makati City