

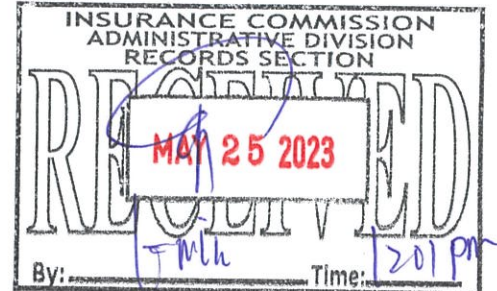


# ALSONS INSURANCE AND REINSURANCE BROKERS CORPORATION

Makati : G/F Alsons Bldg., 2286 Chino Roces Extension, Makati City  
Davao : Suite A302 Plaza de Luisa Complex, R.Magsaysay Ave., Davao City

23 May 2023

**INSURANCE COMMISSION**  
1071 United Nations Avenue,  
Ermita, Manila



Enrico D. Cleofas  
Insurance Commission - Admin.  
Records - Receiving

Attention : **Hon. Reynaldo Averilla Regalado**  
Insurance Commissioner

Subject : Submission of the 2022 Annual Corporate Governance Report

Dear Commissioner Regalado:

We are pleased to submit the accomplished Annual Corporate Governance Report of Alsons Insurance and Reinsurance Brokers Corporation for the year 2022. This is accordance with IC Circular Letter No. 2021-20.

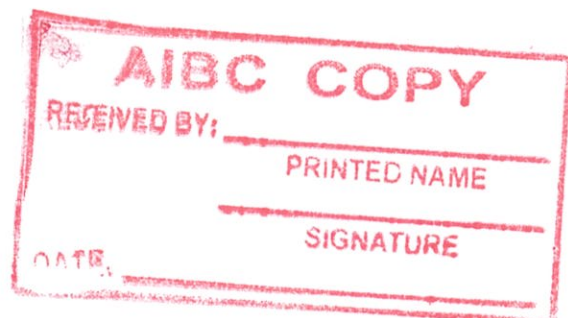
We trust that you find the report to be in order.

Sincerely yours,

**ALSONS INSURANCE AND REINSURANCE BROKERS CORPORATION**

By:

**MARCO ANGELO C. ALCANTARA**  
Compliance Officer and General Manager





## **ALSONS INSURANCE BROKERS CORPORATION**

Makati : G/F Alsons Bldg., 2286 Pasong Tamo Extn. Makati City  
Davao : Suite A302 Plaza de Luisa Complex, R.Magsaysay Ave., Davao City

### **ANNUAL CORPORATE GOVERNANCE REPORT OF**

## **ALSONS INSURANCE AND REINSURANCE BROKERS CORPORATION**

(Name of Company)

1. For the fiscal year ended December 31, 2022
2. Certificate Authority Number IB-44-2022-R & RB-11-2022-R
3. G/F ALSONS BLDG., 2286 CHINO ROCES EXT., MAKATI CITY & 3/F PLAZA DE LUISA BLDG., MAGSAYSAY AVE., DAVAO CITY  
Province, country or other jurisdiction of incorporation or organization
4. G/F ALSONS BLDG., 2286 CHINO ROCES EXT., MAKATI CITY ..... 1232  
Address of principal office ..... Postal Code
5. (02) 8982-3000  
Company's telephone number, including area code
6. [http://aibc.alcantaragroup.com/page\\_about.html](http://aibc.alcantaragroup.com/page_about.html)  
Company's official website
7. Former name – **Alsons Insurance Brokers Corporation**

Recommended CG Practice/Policy	Compliant/Non-Compliant	Additional Information	Explanation
<b>The Board's Governance Responsibilities</b>			
“Principle 1: The company should be headed by a competent, working board to foster the long-term success and sustainability of the corporation, in a manner consistent with its corporate objectives and the long-term best interests of its shareholders and other stakeholders.”			
<b>Recommendation 1.1</b>			
“1. The Board is composed of directors with a collective working knowledge, experience or expertise that is relevant to the company's industry/sector.”	Compliant	Annex “1,” attached to this Report, contains the following information on the Company's Board, and shows: 1. The academic qualifications, industry knowledge, professional experience, expertise and relevant trainings of the directors; and 2. The qualification standards for directors to facilitate the selection of potential nominees and to serve as benchmark for the evaluation of its performance	
“2. Board has an appropriate mix of competence and expertise”	Compliant		
“3. Directors remain qualified for their positions individually and collectively, to enable them to fulfill their roles and responsibilities and respond to the needs of the organization.”	Compliant		
<b>Recommendation 1.2</b>			
“1. Board is composed of a majority of non- executive directors.	Compliant	Of the Company's nine (9) Directors, as listed in Annex “1”, only two (2) – a minority – are “executive directors,” i.e. (1) the Chairman & President, and (2) the Executive Vice President & Treasurer.	
<b>Recommendation 1.3</b>			
“1. Company provides in its Board Charter or Manual on Corporate Governance a policy on training of directors.”	Compliant	The Company's New Manual on Corporate Governance (the “Manual”) <sup>1</sup> provides that, the Company “adopts a policy of training new and first time Directors and providing them with an orientation program. The Company will provide relevant annual continuing training for all its Directors.”	
“2. Company provides in its Board Charter or Manual on Corporate Governance an orientation program for first time directors.”	Compliant		
“3. Company has relevant annual	Compliant		

<sup>1</sup> The Company's New Manual on Corporate Governance is available in its website and be accessed through the following link: [http://aic.alcantaragroup.com/AIRBC\\_New\\_Manual\\_on\\_Corporate\\_Governance.pdf](http://aic.alcantaragroup.com/AIRBC_New_Manual_on_Corporate_Governance.pdf).

Recommended CG Practice/Policy	Compliant/Non-Compliant	Additional Information	Explanation
continuing training for all directors.”		seminar on Corporate Governance. The Directors attended the seminar conducted by the Center for Global Best Practices last 24 November 2022.	
<b>Recommendation 1.4</b>			
“1. Board has a policy on board diversity.”	Compliant	The Company’s Board Diversity Policy, attached as Annex “A” to its Manual, shows the Company has a policy on, and discloses, measurable objectives for implementing its board diversity, and reports on progress in achieving its objectives.	
<b>Recommendation 1.5</b>			
“1. Board is assisted in its duties by a Corporate Secretary.”	Compliant	As set forth in the Company’s Articles of Incorporation and By-Laws, as amended, and its GISs, the Board regularly appoints a Corporate Secretary who assists the Board. Atty. Jonathan F. Jimenez currently serves as the Corporate Secretary.	
“2. Corporate Secretary is a separate individual from the Compliance Officer.”	Compliant	As disclosed in the Company’s GIS, the Corporate Secretary is neither a Director nor the Compliance Officer of the Company.	
“3. Corporate Secretary is not a member of the Board of Directors.”	Compliant		
“4. Corporate Secretary attends training/s on corporate governance.”	Compliant	The Corporate Secretary regularly attends the Company’s annual training programs. He attended the seminar conducted by the Center for Global Best Practices last 24 November 2022.	
<b>Recommendation 1.6</b>			
“1. Board is assisted by a Compliance Officer.”	Compliant	As set forth in the Company’s Manual, a Compliance Officer assists the Board, and has a rank equivalent to the position of a Senior Vice President, with adequate stature and authority in the Company, but is not a Director. Mr. Marco C. Alcantara currently serves as both the Compliance Officer and General Manager of the Company.	
“2. Compliance Officer has a rank of Vice President or an equivalent position with adequate stature and authority in the corporation.”	Compliant		
“3. Compliance Officer is not a member of the board.”	Compliant		
“4. Compliance Officer attends training/s on corporate governance.”	Compliant		

Recommended CG Practice/Policy	Compliant/Non-Compliant	Additional Information	Explanation
		Best Practices last 24 November 2022.	
“Principle 2: The fiduciary roles, responsibilities and accountabilities of the Board as provided under the law, the company’s articles and by-laws, and other legal pronouncements and guidelines should be clearly made known to all directors as well as to stockholders and other stakeholders.”			
Recommendation 2.1			
“1. Directors act on a fully informed basis, in good faith, with due diligence and care, and in the best interest of the company.”	Compliant	As set forth in the Company’s Manual, as well as in its filings, and disclosures, the Board acts on a fully informed basis, in good faith, with due diligence and care, and in the best interest of the Company.	
Recommendation 2.2			
“1. Board oversees the development, review and approval of the company’s business objectives and strategy.”	Compliant	As set forth in the Company’s Manual, as well as in its filings, and disclosures, the Board oversees and/or monitors the development, review, approval, and implementation of the Company’s business objectives and strategy.	
“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.”			
Recommendation 2.3			
“1. Board is headed by a competent and qualified Chairperson.”	Compliant	The Board is headed by a competent and qualified Chairman, Mr. Nicasio I. Alcantara.	
Recommendation 2.4			
“1. Board ensures and adopts an effective succession planning program for directors, key officers and management.”	Compliant	The Company’s Manual provides that the “Board shall ensure, and adopt, an effective succession planning program for Directors, key officers and Management, and shall formulate a policy on the retirement for Directors and key officers,” subject to the Company’s size, risk profile, and complexity of operations.	
“2. Board adopts a policy on the retirement for directors and key officers.”			
Recommendation 2.5			
“1. Board formulates and adopts a policy specifying the relationship between remuneration and performance of key officers and board members.”	Compliant	As set forth in the Company’s Manual, the Board has a policy tying remuneration of key officers with the performance of the Company, leading to the improvement of the Company’s long-term interests. The non-executive Directors are not employees of	

Recommended CG Practice/Policy	Compliant/Non-Compliant	Additional Information	Explanation
<p>“2. Board aligns the remuneration of key officers and board members with long-term interests of the company.”</p> <p>“3. Directors do not participate in discussions or deliberations involving his/her own remuneration.”</p>		<p>the Company, and their remuneration consists solely of fixed per diems. Thus, Directors do not participate in discussions or deliberations involving their own remuneration.</p>	
<p><b>Recommendation 2.6</b></p>			
<p>“1. Board has a formal and transparent board nomination and election policy.”</p>	Compliant	<p>The Company’s formal and transparent Nomination and Election Policy is attached as Annex “B” to the Company’s Manual.</p>	
<p>“2. Board nomination and election policy is disclosed in the company’s Manual on Corporate Governance.”</p>	Compliant		
<p>“3. Board nomination and election policy includes how the company accepts nominations from minority shareholders.”</p>	Compliant	<p>The Company’s Nomination and Election Policy includes how the Company accepts nominations from minority shareholders; how the Board reviews nominated candidates; an assessment of the effectiveness of the Board’s processes in the nomination, election or replacement of a director; and a process for identifying the quality of directors that is aligned with the strategic direction of the Company.</p>	
<p>“4. Board nomination and election policy includes how the board reviews nominated candidates.”</p>			
<p>“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.”</p>			
<p>“6. Board has a process for identifying the quality of directors that is aligned with the strategic direction of the company.”</p>			
<p><b>Recommendation 2.7</b></p>			
<p>“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.”</p>	Compliant	<p>The Company’s Related Party Transaction Policy is attached as Annex “C” to its Company’s Manual. It is “group-wide”, and it governs RPTs, and other unusual or infrequently occurring transactions, which includes a proper review, and approval of materials RPTs, which guarantees fairness and</p>	

Recommended CG Practice/Policy	Compliant/Non-Compliant	Additional Information	Explanation
“2. RPT policy includes appropriate review and approval of material RPTs, which guarantee fairness and transparency of the transactions.”		transparency of the transactions.	
“3. RPT policy encompasses all entities within the group, taking into account their size, structure, risk profile and complexity of operations.”			
Recommendation 2.8			
“1. Board is primarily responsible for approving the selection of Management led by the Chief Executive Officer (CEO) and the heads of the other control functions (Chief Risk Officer, Chief Compliance Officer and Chief Audit Executive).”	Compliant	The Board, immediately after their own election, elects/appoints/designates the officers of the Company, including, but not limited to, the President and Chief Executive Officer, the Executive Vice President, the Treasurer, the Chief Financial Officer, the Corporate Secretary, and, if any, the Chief Audit Executive in compliance with Sec. 24 of Revised Corporation Code and the Manual.	
“2. Board is primarily responsible for assessing the performance of Management led by the Chief Executive Officer (CEO) and the heads of the other control functions (Chief Risk Officer, Chief Compliance Officer and Chief Audit Executive).”	Compliant	The Board complies with Sec. 22 of the Revised Corporation Code and the Manual in that unless otherwise provided in the said Code, the Board: (1) exercises all corporate powers; (2) conducts all business; and (3) holds all property of the Company. Thus, the Board is ultimately responsible for assessing the performance of all Company officers.	
Recommendation 2.9			
“1. Board establishes an effective performance management framework that ensures that Management, including the Chief Executive Officer performance is at par with the standards set by the Board and Senior Management.”	Compliant	As set forth in the Company’s Manual, the Board ensures that the performance by the members of its Management, including that of the Chief Executive Officer and other personnel, is at par with the standards set by the Board.	
“2. Board establishes an effective performance management			

Recommended CG Practice/Policy	Compliant/Non-Compliant	Additional Information	Explanation
framework that ensures that personnel’s performance is at par with the standards set by the Board and Senior Management.”			
Recommendation 2.10			
“1. Board oversees that an appropriate internal control system is in place.”	Compliant	As set forth in the Company’s Manual, the Board “shall establish an appropriate Internal control system, set up a mechanism for monitoring and managing potential conflicts of interest of Management, Directors, and shareholders, and approve the internal audit charter.”	
“2. The internal control system includes a mechanism for monitoring and managing potential conflict of interest of the Management, members and shareholders.”			
“3. Board approves the Internal Audit Charter.”			
Recommendation 2.11			
“1. Board oversees that the company has in place a sound enterprise risk management (ERM) framework to effectively identify, monitor, assess and manage key business risks.”	Compliant	The Board complies with Section 22 of the Revised Corporation Code and the Manual, in that unless otherwise provided therein, the Board: (1) exercises all corporate powers; (2) conducts all business; and (3) holds all property of the Company. Thus, the Board is ultimately responsible for overseeing an enterprise risk management framework, which will identify some of the risks to which the Company and its subsidiaries are exposed, and the measures to manage each of such risks.	
“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.”		The said ERM framework also guides the Board in identifying units/business lines and enterprise-level risk exposures, and assists the Board in assessing the effectiveness of its risk management strategies.	
Recommendation 2.12			
“1. Board has a Board Charter that formalizes and clearly states its roles, responsibilities and accountabilities in carrying out its fiduciary role.”	Compliant	The Company’s Manual provide that, “The Board shall formulate its charter that: (i) clearly states its roles, responsibilities and accountabilities in carrying out its fiduciary duties; (ii) serves as a guide in the	



Recommended CG Practice/Policy	Compliant/Non-Compliant	Additional Information	Explanation
“2. Board Charter serves as a guide to the directors in the performance of their functions.”		performance of the Board’s functions; (iii) is publicly available; and, (iv) to the extent possible, is posted on the Company’s website.”	
“3. Board Charter is publicly available and posted on the company’s website.”			
“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.”			
<b>Recommendation 3.1</b>			
“1. Board establishes board committees that focus on specific board functions to aid in the optimal performance of its roles and responsibilities.”	Compliant	The Board has established various committees (audit, executive, management) that focus on specific board functions to aid in the optimal performance of its roles and responsibilities.	
<b>Recommendation 3.2</b>			
“1. Board establishes an Audit Committee to enhance its oversight capability over the company’s financial reporting, internal control system, internal and external audit processes, and compliance with applicable laws and regulations.”	Compliant	The Board has established its Audit Committee (jointly functioning as the Company’s RPT and BRO 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	
“2. Audit Committee is composed of at least three appropriately qualified non-executive directors, the majority of whom, including the Chairman is independent.”	Compliant	The Company’s Audit Committee is composed of two (2) independent directors and one (1) non-executive director. It is chaired by Mr. Ramon T. Diokno, an Independent Director.	
“3. All the members of the committee have relevant background, knowledge, skills, and/or experience in the areas of accounting, auditing and finance.”	Compliant	All the members of the Audit Committee have relevant background, knowledge, skills, and/or experience in the areas of accounting, auditing and finance.	
“4. The Chairman of the Audit Committee is not the Chairman of	Compliant	The Chairman of the Audit Committee neither is the Chairman of the Board nor is he the Chairman	

Recommended CG Practice/Policy	Compliant/Non-Compliant	Additional Information	Explanation
the Board or of any other committee.”		of any other Committee outside the joint Audit, RPT, and BRO committee.	
Recommendation 3.3			
“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.”	Compliant	The Board has established its Executive and Corporate Governance Committee to, among others, assist the Board in the performance of its corporate governance responsibilities.	
“2. Corporate Governance Committee is composed of at least three members, majority of whom should be independent directors.”	Non-Compliant		Since the Corporate Governance Committee is also the Executive Committee, only one (1) of the independent directors sits therein. Nonetheless, Principle 3 and Recommendation 3.3 are still being achieved overall since the said Committee continues to assist the Board in performing its corporate governance responsibilities.
“3. Chairman of the Corporate Governance Committee is an independent director.”	Non-Compliant		Since the Corporate Governance Committee is also the Executive Committee, its head is the Chairman of the Board, and is not an Independent Director. Nonetheless, Principle 3 and Recommendation 3.3 are still being achieved overall since the said Committee continues to assist the Board in performing its corporate governance responsibilities.
Recommendation 3.4			
“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.”	Compliant	The Company’s Manual provides that the Board shall establish “a separate risk oversight committee that shall be responsible for the oversight of the Company’s ERM system to ensure its functionality and effectiveness.” Currently, the Board has established the Audit Committee as the Audit, Risk Management, and Related Party Transaction Committee, which is responsible for, among others, the oversight of a Company’s ERM system.	
“2. BROC is composed of at least three	Compliant	The Committee is composed of two (2)	

Recommended CG Practice/Policy	Compliant/Non-Compliant	Additional Information	Explanation
members, the majority of whom should be independent directors, including the Chairman.”		independent directors and one (1) non-executive director. It is chaired by Mr. Ramon T. Diokno, an Independent Director.	
“3. The Chairman of the BROC is not the Chairman of the Board or of any other committee.”	Compliant	The Chairman of the committee neither is the Chairman of the Board nor is he the Chairman of any other Committee outside the joint Audit, RPT, and BROC committee.	
“4. At least one member of the BROC has relevant thorough knowledge and experience on risk and risk management.”	Compliant	All the members of the Committee possess relevant thorough knowledge and experience on risk and risk management.	
Recommendation 3.5			
“1. Board establishes a Related Party Transactions (RPT) Committee, which is tasked with reviewing all material related party transactions of the company.”	Compliant	The Board has established the Audit Committee as the Audit, Risk Management, and Related Party Transaction Committee, which is tasked with reviewing all RPTs of the Company.	
“2. RPT Committee is composed of at least three non-executive directors, two of whom should be independent, including the Chairman.”	Compliant	The Committee is composed of two (2) independent directors and one (1) non-executive director. It is chaired by Mr. Ramon T. Diokno, an Independent Director.	
Recommendation 3.6			
“1. All established committees have a Committee Charter stating in plain terms their respective purposes, memberships, structures, operations, reporting process, resources and other relevant information.”	Compliant	The Manual ensures that each established committee shall have a charter stating in plain terms the committee’s purpose, membership, structure, operation, reporting process, resources, standards for evaluating the performance of the committee, and other relevant information, which charter shall, once approved and to the most practicable extent, shall be uploaded in the Company’s website.	
“2. Committee Charters provide standards for evaluating the performance of the Committees.”			
“3. Committee Charters were fully disclosed on the company’s website.”			
“Principle 4: To show full commitment to the company, the directors should devote the time and attention necessary to properly and effectively perform their duties and			

Recommended CG Practice/Policy	Compliant/Non-Compliant	Additional Information	Explanation
responsibilities, including sufficient time to be familiar with the corporation’s business.”			
<b>Recommendation 4.1</b>			
“1. The Directors attends and actively participate in all meetings of the Board, Committees and shareholders in person or through tele-/videoconferencing conducted in accordance with the rules and regulations of the Commission.”	Compliant	The Directors attend and actively participate in all meetings of the Board, Committees and shareholders in person or through teleconferencing or videoconferencing conducted in accordance with the rules and regulations of the Commission	
“2. The directors review meeting materials for all Board and Committee meetings.”	Compliant	Management is required to provide members of the Board and Committee materials for their meeting on the Monday of the week preceding the meeting, to allow the Directors to review meeting materials for all Board and Committee meetings.	
“3. The directors ask the necessary questions or seek clarifications and explanations during the Board and Committee meetings.”	Compliant	The Directors actively ask the necessary questions, or seek clarifications and explanations, during the Board and Committee meetings.	
<b>Recommendation 4.2</b>			
“1. Non-executive directors concurrently serve to a maximum of five Insurance Commission Regulated Entities (ICREs) and publicly-listed companies to ensure that they have sufficient time to fully prepare for meetings, challenge Management’s proposals/views, and oversee the long-term strategy of the company.”	Compliant	If non-executive Directors concurrently serve in publicly-listed companies, none of such companies exceed five in number.	
<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.”	Compliant	The Directors have undertaken to notify the Board if there is any change about to occur in his qualifications, including the acceptance of a directorship in another company.	
“Principle 5: The Board should endeavor to exercise objective and independent judgment on all corporate affairs.”			

Recommended CG Practice/Policy	Compliant/Non-Compliant	Additional Information	Explanation
<b>Recommendation 5.1</b>			
“1. The Board is composed of at least twenty percent (20%) independent directors.”	Compliant	Of the nine (9) seats in the Companies’ Board of Directors, two (2) are Independent Directors which is equivalent to twenty-two percent (22%).	
<b>Recommendation 5.2</b>			
“1. The independent directors possess all the qualifications and none of the disqualifications to hold the positions.”	Compliant	The Independent Director possesses all the qualifications and none of the disqualifications to hold the position.	
<b>Recommendation 5.3</b>			
“1. The independent directors serve for a cumulative term of nine years. As far as Insurance Companies are concerned, the foregoing term limit shall be reckoned from 02 January 2015 while the reckoning date for the Pre-Need Companies and Health Maintenance Organizations shall be from 21 September 2016. For other covered entities, all previous terms served by existing Independent Directors prior to the effectivity of this Circular shall not be included in the application of the term limit prescribed in this item.”	Compliant	Since the cumulative term of nine years from 2 January 2015 would end on 2 January 2024, the lead Independent Director’s term still falls within the term limits. On the other hand, the Company’s other independent director was appointed only last 20 April 2023. Thus, his term likewise falls within the term limit.	
“2. The company bars an independent director from serving in such capacity after the term limit of nine years.”	Compliant	With the Commission imposing this prohibition, the Company will also impose the same.	
“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 seeks shareholders’ approval during the annual	Compliant	If, upon reaching the prescribed term limit, the Company retains its lead Independent Director in the same capacity, then the Board will decide whether to elect a new Independent Director, or provide meritorious justification, and seeks shareholders’ approval during the annual shareholders’ meeting to retain its lead Independent	

Recommended CG Practice/Policy	Compliant/Non-Compliant	Additional Information	Explanation
shareholders' meeting.”		Director.	
<b>Recommendation 5.4</b>			
“1. The positions of Chairman of the Board and Chief Executive Officer are held by separate individuals.”	Non-Compliant		The Board has not yet resolved to separate individuals should hold the positions of Chairman and CEO taking into consideration the Company's size, risk profile, and complexity of operations. Nonetheless, this has not compromised the Board's independence since the Chairman and CEO still has just one vote. Thus, Principle 5 is still being achieved overall.
“2. The Chairman of the Board and Chief Executive Officer have clearly defined responsibilities.”	Compliant	The responsibilities of the President and Chief Executive Officer are clearly defined in the Revised Corporation Code, the Company's articles, and by-laws, and the Manual, and these are different from the responsibilities of the Chairman of the Board.	
<b>Recommendation 5.5</b>			
“1. If the Chairman of the Board is not an independent director, or where the roles of the Chairman and CEO are being held by one person, the board should designate a lead director among the independent directors.”	Compliant	Mr. Ramon T. Diokno serves as the lead Independent Director.	
<b>Recommendation 5.6</b>			
“1. Directors with material interest in a transaction affecting the corporation should abstain from taking part in the deliberations for the same.”	Compliant	The Company strictly complies with Sec. 32 of the Revised Corporation Code which governs dealings by Directors, if any, with the Company.	
<b>Recommendation 5.7</b>			
“1. The non-executive directors (NEDs) have separate periodic meetings with the external auditor and heads of the internal audit, compliance and risk functions, without any executive directors present to ensure that proper checks and balances are in	Compliant	The Manual ensures that the NEDs have “separate periodic meetings with the external auditor, and with the heads of the internal audit, compliance, and risk functions, without any executive present. The lead Independent Director chairs such meetings.	

Recommended CG Practice/Policy	Compliant/Non-Compliant	Additional Information	Explanation
place within the corporation.”			
“2. The meetings are chaired by the lead independent director.”			
“Principle 6: 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.”			
Recommendation 6.1			
“1. Board conducts an annual assessment of its performance as a whole.”	Compliant	The Manual ensures that, whenever possible, the Board shall conduct an annual assessment of: (i) its performance as a whole; (ii) the performance of the Chair; and (iii) the performance of each committee, and that every three years, an external facilitator is engaged to support such assessments.	
“2. The performance of the Chairman is assessment annually by the Board.”			
“3. The performance of the individual member of the Board is assessed annually by the Board.”			
“4. The performance of each committee is assessed annually by the Board.”			
“5. Every three years, the assessments are supported by an external facilitator.”			
Recommendation 6.2			
“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.”	Compliant	The Board has established a system that provides criteria and processes to assess its performance and that of individual Directors and committees, and allows for a feedback mechanism from the shareholders. This system consists a thorough review of the Company's performance at every meeting of the Board or management committee.	
“2. The system allows for a feedback mechanism from the shareholders.”			
Disclosure and Transparency			
“Principle 7: Members of the Board are duty-bound to apply high ethical standards, taking into account the interests of all stakeholders.”			
Recommendation 7.1			
“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	Compliant	The Company’s Code of Business and Ethics is attached as Annex “2” hereto and provides standards for professional and ethical behavior. It also articulates acceptable and unacceptable conduct and practices in internal and external dealings of the	

Recommended CG Practice/Policy	Compliant/Non-Compliant	Additional Information	Explanation
and practices in internal and external dealings of the company.”		Company.	
“2. The Code is properly disseminated to the Board, senior management and employees.”	Compliant	The Board properly disseminated the Code of Business Conduct and Ethics to senior management and employees, and made available online.	
“3. The Code is disclosed and made available to the public through the company website.”	Compliant		
<b>Recommendation 7.2</b>			
“1. Board ensures the proper and efficient implementation and monitoring of compliance with the Code of Business Conduct and Ethics.”	Compliant	The Board ensures the proper and efficient implementation and monitoring of compliance with the Code of Business Conduct and Ethics through the internal auditors.	
“2. Board ensures the proper and efficient implementation and monitoring of compliance with company internal policies.”	Compliant	The Board ensures the proper and efficient implementation and monitoring of compliance with company internal policies through the internal auditors.	
“Principle 8: The company should establish corporate disclosure policies and procedures that are practical and in accordance with best practices and regulatory expectations.”			
<b>Recommendation 8.1</b>			
“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.”	Compliant	The Manual ensures that the Company complies with the applicable disclosure policies and procedures by the Commission 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 and business operations.	
<b>Recommendation 8.3</b>			
“1. Board fully discloses all relevant and material information on individual board members to evaluate their experience and qualifications, and assess any potential conflicts of	Compliant	The Manual ensures that the Company complies with the applicable disclosure policies and procedures by the Commission to fully disclose all relevant and material information on individual Directors and Officers to evaluate their experience	



Recommended CG Practice/Policy	Compliant/Non-Compliant	Additional Information	Explanation
<p>interest that might affect their judgment.”</p> <p>“2. Board fully discloses all relevant and material information on key executives to evaluate their experience and qualifications, and assess any potential conflicts of interest that might affect their judgment.”</p>		<p>and qualifications, and assess any potential conflicts of interest that might affect their judgment.”</p>	
<b>Recommendation 8.4</b>			
<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 Corporate Code.”</p> <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 Report consistent with ASEAN Corporate Governance Scorecard (ACGS) and the Revised Corporate Code.”</p>	Compliant	<p>The Manual ensures that the Company, to the extent possible, complies with the applicable disclosure policies and procedures by the Commission to clearly disclose its policies and procedure for setting Board and executive remuneration, and the level and mix of the same.</p>	
<p>“3. Company discloses the remuneration on an individual basis, including termination and retirement provisions.”</p>	Compliant	<p>The Manual ensures that the Company complies with the applicable disclosure policies and procedures by the Commission but balances the need to keep private sensitive information with the need to disclose the remuneration, termination, and/or retirement of individuals.</p>	
<b>Recommendation 8.5</b>			
<p>“1. Company discloses its policies</p>	Compliant	<p>The Manual ensures that the Company complies</p>	

Recommended CG Practice/Policy	Compliant/Non-Compliant	Additional Information	Explanation
governing Related Party Transactions (RPTs) and other unusual or infrequently occurring transactions.” “2. Company discloses material or significant RPT in its Annual Company Report or Annual Corporate Governance Report, reviewed and approved by the Board, and submitted for confirmation by majority of vote of the stockholders in the annual stockholders’ meeting during the year.”		with the applicable disclosure policies and procedures by the Commission, including, but not limited to, its policies on RPTs (attached as Annex “C” thereto) and other unusual or infrequently occurring transactions.	
Recommendation 8.7			
“1. Company’s corporate governance policies, programs and procedures are contained in its Manual on Corporate Governance (MCG).”	Compliant	The Company’s Manual contains its Corporate Governance policies, programs and procedures.	
“2. Company’s MCG is posted on its company website.”	Compliant	The Company’s New Manual on Corporate Governance is available in its website and be accessed through the following link: <a href="http://aibc.alcantaragroup.com/AIRBC_New_Manual_on_Corporate_Governance.pdf">http://aibc.alcantaragroup.com/AIRBC_New_Manual_on_Corporate_Governance.pdf</a> .	
“Principle 9: The company should establish standards for the appropriate selection of an external auditor, and exercise effective oversight of the same to strengthen the external auditor’s independence and enhance audit quality.”			
Recommendation 9.1			
“1. Audit Committee has a robust process for approving and recommending the appointment, reappointment, removal, and fees of the external auditors.”	Compliant	The Manual provides that the Company’s Audit Committee “shall have a robust process for approving and recommending the appointment, reappointment, removal, and the fees of the external auditor, subject to Board approval and shareholders’ ratification.”	
“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.”			
“3. For removal of the external auditor,	Compliant	The Manual provides that, “The reasons for	

Recommended CG Practice/Policy	Compliant/Non-Compliant	Additional Information	Explanation
the reasons for removal or change are disclosed to the regulators and the public through the company website and required disclosures.”		removal or change of external auditor shall be disclosed to the regulators and the public through the Company website and required disclosures.”	
Recommendation 9.2			
“1. Audit Committee Charter includes the Audit Committee’s responsibility on (i) assessing the integrity and independence of external auditors; (ii) exercising effective oversight to review and monitor the external auditor’s independence and objectivity; and (iii) exercising effective oversight to review and monitor the effectiveness of the audit process, taking into consideration relevant Philippine professional and regulatory requirements.”	Compliant	The Manual provides that the “The Audit Committee charter shall include the Committee’s responsibility on: (i) assessing the integrity and independence of external auditors; (ii) exercising effective oversight to review and monitor the external auditor’s independence and objectivity; (iii) the effectiveness of the audit process, taking into consideration relevant Philippine professional and regulatory requirements; and (iv) reviewing and monitoring the external auditor’s suitability and effectiveness on an annual basis.”	
“2. Audit Committee Charter contains the Committee’s responsibility on reviewing and monitoring the external auditor’s suitability and effectiveness on an annual basis.”	Compliant	The Manual provides that the “The Audit Committee charter shall include the Committee’s responsibility on: ... (iv) reviewing and monitoring the external auditor’s suitability and effectiveness on an annual basis.”	
Recommendation 9.3			
“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.”	Compliant	The Manual provides that, “The Company shall disclose the nature of non-audit services performed by its external auditor in the annual report to deal with the potential conflict of interest.”	
“2. Audit Committee stays alert for any potential conflict of interest situations, given the guidelines or policies on non- audit services, which could be viewed as impairing the external auditor’s objectivity.”	Compliant	The Manual provides that, “The Audit Committee shall be alert for any potential conflict of interest situations and follow guidelines or policies on non-audit services that could impair the external auditor’s objectivity.”	

Recommended CG Practice/Policy	Compliant/Non-Compliant	Additional Information	Explanation
“Principle 10: The company should ensure that material and reportable non-financial and sustainability issues are disclosed.”			
Recommendation 10.1			
“1. Board has a clear and focused policy on the disclosure of non-financial information, with emphasis on the management of economic, environmental, social and governance (EESG) issues of its business, which underpin sustainability.”	Compliant	The Manual provides that, “The Board shall formulate and implement a clear and focused policy on the disclosure of non-financial information, with emphasis on the management of economic, environmental, social and governance issues of its business.”	
“2. Company adopts a globally recognized standard/framework in reporting sustainability and non-financial issues.”	Compliant	Through its external auditor, and consultants, the Company adopted a globally recognized standard in reporting sustainability and non-financial issues	
“Principle 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.”	Compliant	The Company holds media and analysts’ briefings, which could serve as channels of communication that ensure the timely and accurate dissemination of public, material and relevant information to its shareholders and other investors.	
Internal Control System 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.”	Compliant	The Manual provides that the “The Board shall have an an adequate and effective Internal control system and an ERM framework in the conduct of the Company’s business,” taking into account the Company’s size, risk profile and complexity of operations.	
“2. Company has an adequate and effective enterprise risk management framework in the conduct of its business.”			
Recommendation 12.2			
“1. Company has in place an independent internal audit function	Compliant	The Company engages the IT specialists to perform overwatch functions over the IT systems of the	

Recommended CG Practice/Policy	Compliant/Non-Compliant	Additional Information	Explanation
that provides an independent and objective assurance, and consulting services designed to add value and improve company's operations."		Company and its affiliates for any disruption, cyber security, and disaster recovery, and these specialists ensure that all key risks are identified, managed and reported to the Chairman of and for the Board.	
Recommendation 12.3			
"1. The company has a qualified Chief Audit Executive (CAE) appointed by the Board."	Compliant	The Board appointed the Company's Internal Auditor, Mr. Alexis B. dela Cuesta, to perform the office and functions of CAE.	
"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."	Compliant	The Manual provides that, the CAE oversees and is responsible for the Company's internal audit activity, including – if any - that portion that is outsourced to a third party service provider."	
"3. In case of a fully outsourced internal audit activity, a qualified independent executive or senior management personnel is assigned the responsibility for managing the fully outsourced internal audit activity."	Compliant	The Manual provides that, the CAE oversees and is responsible for the Company's internal audit activity, including – if any - that portion that is outsourced to a third party service provider."	
Recommendation 12.4			
"1. Company has a separate risk management function to identify, assess and monitor key risk exposures."	Compliant	The Manual provides that, "the Board may establish a separate risk management function to identify, assess and monitor key risk exposures," whenever feasible and taking into account the Company's size, risk profile and complexity of operations.	
Recommendation 12.5			
"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)."	Compliant	The Manual provides that, "the Company shall have a Risk Management System" and shall have a CRO who "will manage the system and be the ultimate champion of ERM," if feasible subject the Company's size, risk profile, and complexity of operations. The Manual also ensures that the CRO shall have adequate authority, stature, resources and support to fulfill his/her responsibilities."	
"2. CRO has adequate authority, stature, resources and support to fulfill his/her responsibilities."			
Cultivating a Synergic Relationship with Shareholders			

Recommended CG Practice/Policy	Compliant/Non-Compliant	Additional Information	Explanation
“Principle 13: The company should treat all shareholders fairly and equitably, and also recognize, protect and facilitate the exercise of their rights.”			
Recommendation 13.1			
“1. Board ensures that basic shareholder rights are disclosed in the Manual on Corporate Governance.”	Compliant	Annex “D” of the Manual, as published in the Company’s website, contains the basic shareholder rights.	
“2. Board ensures that basic shareholder rights are disclosed on the company’s website.”			
Recommendation 13.2			
“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.”	Compliant	The Company sent out the Notices for the 20 April 2023 Annual Stockholders’ Meeting on 30 March 2023, twenty-one (21) days prior.	
Recommendation 13.3			
“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.”	Compliant	The Manual ensures that the Board encourages active shareholder participation by, whenever possible and practicable, (i) making the result of the votes taken during the most recent Annual or Special Stockholders’ Meeting available to the stockholders the next working day, and (ii) posting on the Company’s website the minutes of the same meeting within five (5) working days from the end of the meeting.	
“2. Minutes of the Annual and Special Shareholders’ Meetings were available on the company website within five business days from the end of the meeting.”			
Recommendation 13.4			
“1. The Board has an alternative dispute mechanism to resolve intra-corporate disputes in an amicable and effective manner.”	Compliant	The Manual ensures that the Board shall have an alternative dispute mechanism to resolve intra-corporate disputes in an amicable and effective manner.	
“2. The alternative dispute mechanism is included in the company’s Manual on Corporate Governance.”			
Duties to Shareholders			

Recommended CG Practice/Policy	Compliant/Non-Compliant	Additional Information	Explanation
“Principle 14: 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.”			
Recommendation 14.1			
“1. Board identifies the company’s various stakeholders and promotes cooperation between them and the company in creating wealth, growth and sustainability.”	Compliant	The Manual provides that, “the Board shall identify the Company’s various Stakeholders and cooperate with them to create wealth, growth and sustainability, subject to the Company’s size, risk profile and complexity of operations.	
Recommendation 14.2			
“1. Board establishes clear policies and programs to provide a mechanism on the fair treatment and protection of stakeholders.”	Compliant	The Manual provides that, “the Board shall establish clear policies and programs to provide a mechanism on the fair treatment and protection of Stakeholders, subject to the Company’s size, risk profile and complexity of operations.	
Recommendation 14.3			
“1. Board adopts a transparent framework and process that allow stakeholders to communicate with the company and to obtain redress for the violation of their rights.”	Compliant	The Company’s Manual ensures that the Board “adopts a transparent framework and process to allow Stakeholders to communicate with the Company and to obtain redress for the violation of their rights.”	
“Principle 15: 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.”			
Recommendation 15.1			
“1. Board establishes policies, programs and procedures that encourage employees to actively participate in the realization of the company’s goals and in its governance.”	Compliant	The Company’s Manual ensures that the Board shall “establish policies, programs and procedures that encourage employees to actively participate in the realization of the Company’s goals and in its governance,” subject to the Company’s size, risk profile, and complexity of operations.	
Recommendation 15.2			
“1. Board sets the tone and makes a stand against corrupt practices by adopting an anti-corruption policy and program in its Code of Conduct.”	Compliant	The Board adopted an anti-corruption policy and program in its Code of Business Conduct and Ethics, thereby setting the tone and making a stand against corrupt practices.	
“2. Board disseminates the policy and	Compliant	Through the Group’s Human Resources	

Recommended CG Practice/Policy	Compliant/Non-Compliant	Additional Information	Explanation
<p>program to employees across the organization through trainings to embed them in the company's culture."</p>		<p>Department, the Board disseminates its Code of Business Conduct and Ethics to employees of the Group through training sessions to embed the same in the culture of the employees of the Group and, if any, of the Company.</p>	
<p><b>Recommendation 15.3</b></p>			
<p>"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."</p>	<p>Compliant</p>	<p>The Manual ensures that the Board shall "establish a suitable framework for whistleblowing that allows employees to: (i) to freely communicate their concerns about illegal or unethical practices, without fear of retaliation; and (ii) have direct access to an Independent member of the Board or a unit created to handle whistleblowing concerns," as found in the Group's whistleblowing policy through <a href="http://www.acr.com.ph/company_policy.php">www.acr.com.ph/company_policy.php</a>, the supervision and enforcement of which is ensured by the Board.</p>	
<p>"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."</p>			
<p>"3. Board supervises and ensures the enforcement of the whistleblowing framework."</p>	<p>Compliant</p>		
<p>"Principle 16: The company should be socially responsible in all its dealings with the communities where it operates. It should ensure that its interactions serve its environment and stakeholders in a positive and progressive manner that is fully supportive of its comprehensive and balanced development."</p>			
<p><b>Recommendation 16.1</b></p>			
<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>Compliant</p>	<p>As an insurance brokerage and as set forth in the Manual, the Company recognizes the interdependence of business and society, and promotes – where it can - a mutually beneficial relationship that allows the Company to grow its business while contributing to the advancement of society.</p>	




Makati City, 12 MAY 2023.



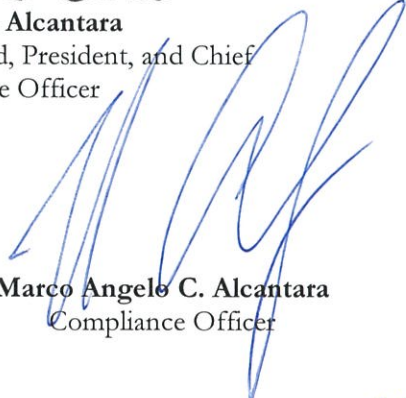
**Nicasio I. Alcantara**  
Chairman of the Board, President, and Chief Executive Officer



**Ramon T. Diokno**  
Independent Director



**Ramil L. Villanueva**  
Independent Director



**Marco Angelo C. Alcantara**  
Compliance Officer



**Jonathan F. Jimenez**  
Corporate Secretary

SUBSCRIBED AND SWORN to before me on this 12 MAY 2023 at Makati City, affiants having exhibited to me competent evidence of their respective identity consisting of the following, with their respective photograph and signature.

Name	Competent evidence of identity	Place of Issue/Date of Expiry
Nicasio I. Alcantara	Passport ID no. P9170862B	DFA NCR Central/ 14 March 2032
Ramil L. Villanueva	TIN no. 146 391 829	BIR
Ramon T. Diokno	TIN no. 117 434 707	BIR
Marco Angelo C. Alcantara	Passport ID no. P3770313B	DFA Manila/ 6 November 2029
Jonathan F. Jimenez	Driver's License no. D06-86-017937	LTO, Q.C./ 25 October 2023

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Page No. 17 ;  
Book No. II ;  
Series of 2023.




**ATTY. EDWARD FRANCIS M. ARABE**  
NOTARY PUBLIC  
Notarial Commission No. M-103  
Until December 31, 2023  
IBP No. 286311/01-12-2023/Makati  
PTR No. MKT9569419/1-06-2023/Makati  
Roll No. 74717/07-15-2020

Alsons Insurance Brokers Corporation  
Annexes to the Annual Corporate Governance Report

**Annex “1”**

1. The academic qualifications, industry knowledge, professional experience, expertise and relevant trainings of the directors are as follows:

**Nicasio I. Alcantara**, 80, Filipino, became the Chairman of the Board of Directors starting on March 1, 2021. He previously led Alsons Consolidated Resources Inc. (ACR) as Chairman and President from 1995 to 2001. He is also the Chairman of ACR Mining Corporation and Sarangani Agricultural Co., Inc., the Co-Chairman and President of Alsons Thermal Energy Corp., the Chairman and President of Alto Power Management Corp., Conal Holdings Corporation, Alsons Development and Investment Corporation, Alsons Corporation and many other subsidiaries under the Alcantara Group. He also chairs the Board of Directors of SITE Group International, Ltd., and serves as the Vice-Chairman of Aviana Development Corporation, a Director of Seafrost Resources Corporation, The Philodril Corporation, Enderun Colleges, Inc., Sagittarius Mines, Inc. and Phoenix Petroleum Philippines, Inc.

Prior to this, Mr. Alcantara held the position of Chairman and President in various corporations, namely, Petron Corporation, Iligan Cement Corporation, Alsons Cement Corporation, Northern Mindanao Power Corporation and Refractories Corporation of the Philippines. He was also the Chairman of Alsons Prime Investments Corporation until recently and served as Director of Bank One Savings, Bancasia Capital Corporation, and C. Alcantara & Sons, Inc. Until May 2021, he served as the Chairman of both the Corporate Governance Committee and Related Party Transactions Committee of BDO Private Bank, Inc. and was a member of the Bank's Audit Committee.

Mr. Alcantara holds a Masters Degree in Business Administration (MBA) from the Sta. Clara University in California, and a Bachelor of Science degree in Business Administration from the Ateneo de Manila University.

**Tomas I. Alcantara**, 77, Filipino, was the Chairman of the Board of Directors and the President of the Company until February 28, 2021. He opted to retire as the Company's Chairman effective March 1, 2021 but remains a Director thereof. He holds a Bachelor of Science degree in Economics from the Ateneo de Manila University and a Masters in Business Administration (MBA) from the Columbia University. He also attended the Advanced Management Program (AMP) of the Harvard Business School.

Mr. Alcantara is a Director of the various companies of the Alcantara Group. He has also been the Chairman of Holcim Philippines, Inc. since November 2014, Alsons/AWS Information Systems, Inc. (AASI) since 2001, and Eagle Ridge Golf & Country Club since 2000. He has been a Trustee of the European IT Service Center Foundation since August 2002 and of the Foundation for Revenue Enhancement since August 2004.

Mr. Alcantara served as Undersecretary for the Industry & Investment Group of the Department of Trade and Industry, the Vice Chairman and Managing Head of the Board of Investments from July 1986 to March 1995, and the Special Envoy of the Philippine President to Asia Pacific Economic Cooperation (APEC) forum in 1996. He was also the Chairman of the Board of Directors and the President of Holcim Manufacturing Corporation (formerly Alsons Cement Corporation) from May 1997 to July 2003 and was a Director of that company before 1997. He was a Member of the Advisory Board of Rizal Commercial Banking Corporation (RCBC) from April 1997 to June 2007. Mr. Alcantara served as a Director of Philippine Reclamation Authority (formerly Public Estate Authority) from 2003 to April 2006 and the Chairman of the Manila Economic & Cultural Office (MECO) from March 2001 to August 2010.

**Editha I. Alcantara**, 74, Filipino, has served as a Director of the Company since its incorporation in 1972. She holds a Business Administration degree from Maryknoll College and an MBA from Boston College. Ms. Alcantara became the President of C. Alcantara and Sons, Inc. in 1992 after serving as the Treasurer of that company. Presently, she is a Director and the Treasurer of other companies in the Alcantara Group.

She has also been a Director of the Philippine Wood Producers Association since May 16, 1980, a Trustee for the Philippine Business for the Environment, Inc. since July 1995, and a Trustee of Miriam College since December 1998.

**Rosvida Alcantara Dominguez**, 73, Filipino, has served as Director of the Company since its incorporation in 1972. She holds a Bachelor of Arts Degree in Business Administration and a Graduate Studies in Social Industrial Psychology from the Ateneo de Manila University. She is currently the Executive Vice President and Chief Operating Officer of Alsons Development & Investment Corporation. She was also a Director of C. Alcantara & Sons, Inc. a District Director for Eastern Mindanao of Soroptimist International of the Philippines Region from 1992 to 1994, the President of Soroptimist International Davao from 1988 to 1990, a Member of the Board of Trustees of Association of Foundations from 2004 to 2012 and of the University of Immaculate Conception. She was also a Member of the Board of Directors of Philippine National Red Cross – Davao City Chapter, from 1987 to 2005, and of the Philippine Centennial Movement – Davao City Chapter. Presently, she serves as a Director of Sarangani Agricultural Co., Inc., and Marco Polo Davao, Inc. She has also been the Vice President of Southern Philippines Foundation for the Arts, Culture & Ecology, from 1995 to present,

**Alejandro I. Alcantara**, 68, Filipino, has served as Director of the Company since shortly after its incorporation in 1972. He graduated from the Ateneo de Davao with a degree in Economics. Mr. Alcantara is the current President of Aquasur Resources Corporation, Finfish Hatcheries, Inc., Sarangani Agriculture Company, Inc., Alsons Aquaculture Corporation, and of the other Agribusiness companies of the Alcantara Group. Mr. Alcantara had also served as a Director and the Treasurer of the Federation of Cattle Raisers Association of the Philippines from 1997 to December 2009.

**Ramon T. Diokno**, 76, Filipino, has been a Director of the Company for more than 10 years. He holds an Economics and Accountancy degree from the De La Salle University and a Masters of Science in Management degree from the Massachusetts Institute of Technology.

Mr. Diokno is also the Chief Financial Officer of Lepanto Consolidated Mining Co., and its wholly-owned subsidiaries. He is currently also a Director of Alsons Consolidated Resources, Inc.

**Antonio Miguel B. Alcantara**, 39, Filipino, has been a Director of the Company for more than 10 years. He graduated with a degree in BSBA, Finance and Marketing at Northeastern University in Boston, Massachusetts. He recently completed his MBA at Babson College, F.W. Olin Graduate School of Business in Wellesley, Massachusetts, where he finished with distinction as magna cum laude. Anton is currently the Deputy Chief Executive Officer of the Power Business Unit of the Alcantara Group of Companies after serving as its Corporate Planning Officer where he helped in diversifying the company's power generation portfolio. He is also the Project Director of Mapalad Partners, Inc. In 2021, he was appointed as the Chief Investment and Strategy Officer of Alsons Consolidated Resources, Inc., the Group's publicly-listed company.

**Gabriel H. Alcantara**, 49, Filipino, has been a Director of the Company for more than 10 years. He graduated with a degree in AB – Interdisciplinary Studies at Ateneo de Manila University. Gabby is currently the Chairman & President of AG Protective Services Inc., a Director of the Sarangani Agricultural Co., Inc., Sunfarms Agri-Venture Corp., and Punta Properties, Inc. He is also the Vice President – Sales & Marketing, Processed Foods of Alsons Aquaculture Corporation.

**Ramil L. Villanueva**, 54, Filipino, was elected as Independent Director of the Corporation last April 2023. He graduated from the Polytechnic University of the Philippines with the degree in BS Information Technology. He also attended the Top Management Course on Corporate Entrepreneurship at Asian Institute of Management and Program for Corporate Management for Southeast Asia at Association of Overseas Technical Scholars (AOTS) in Nagoya, Japan. Mr. Villanueva is currently a member of Board of Directors and Vice President for Finance and Administration of Alsons/AWS Information System, Inc. from May 1997 up to present; a member of the Board of Directors and VP for Strategic Planning and External Relations of Advanced World Systems, Inc. from April 2022 up to present; and a member of the Board of Directors and VP for Strategic Planning and External Relations of Advanced World Solutions, Inc. from August 2006 up to present. He is also an Independent Director and Chairman of Audit Committee of ACR Mining Corporation since September 2016 up to present and also an Independent Director and Chairman for Sports & Events Committee of Eagle Ridge Golf & Country Club, Inc. from October 2008 up to present. He is currently a member of the Board of Directors of Philippine Software Industry Association since December 2021 up to present.

## Annex "2"

### CODE OF CONDUCT<sup>1</sup>

The Code of Conduct was promulgated to uphold the Company's values on excellence in everything we do, honesty and integrity, and respect for every individual. It also enables those comprising the Group to work together as a cohesive and competent team deeply committed to duty and responsibility.

#### 1. CLASSES OF OFFENSES

Violations against company policies, rules and regulations subject to disciplinary actions are classified as offenses concerning:

1.1 Conduct of Behavior

1.2 Security and Property

#### 2. TYPES OF DISCIPLINARY ACTIONS

Disciplinary measures are imposed in progressively increasing weight whenever violations are committed against the prescribed policies, rules and regulations. A running period of ONE (1) calendar year will be the basis for computing and imposing applicable penalties for repeated/recurring violations.

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<sup>1</sup> Section III of the Alcantara Group Corporate Office Employee Handbook, v-07.01.12, pages 23 -36

#### 2.1 Verbal Reprimand

Verbal admonition for minor violation committed with a reminder that repetition of the offenses will be dealt with more severely.

#### 2.2 Written Reprimand

Written reprimand for repeating an offense in which a verbal reprimand was previously given, or for the commission of a more serious violation which requires stronger disciplinary actions that need not be preceded by a verbal reprimand.

#### 2.3 Suspension

Written notice of temporary lay-off without pay and suspension of benefits for committing serious to major offenses

#### 2.4 Dismissal

Termination of an employee's services for just cause.

#### 2.5 Other types of Disciplinary Actions

Management has the prerogative to impose appropriate disciplinary action depending on mitigating or aggravating circumstances.

3. PROGRESSIVE DISCIPLINARY ACTION FOR REPEATED OFFENSES

3.1 Minor Offenses

- 1<sup>st</sup> offense - Verbal reprimand
- 2<sup>nd</sup> offense - Written Warning
- 3<sup>rd</sup> offense - 3 days maximum suspension
- 4<sup>th</sup> offense - 10 days maximum suspension
- 5<sup>th</sup> offense - 15 days maximum suspension
- 6<sup>th</sup> offense - Dismissal

3.2 Serious Offenses

- 1<sup>st</sup> offense - Written warning or 3 days suspension
- 2<sup>nd</sup> offense - 10 days maximum suspension
- 3<sup>rd</sup> offense - Dismissal

3.3 Major Offenses

- 1<sup>st</sup> offense - 15 days maximum suspension or dismissal
- 2<sup>nd</sup> offense - Dismissal

*If offenses result to loss to the Company, the employee shall pay the cost of damages or replacement.*

4. GUIDELINES FOR IMPLEMENTING DISCIPLINARY ACTIONS

- 4.1 Line managers are held responsible for the strict implementation of the Code of Conduct.
- 4.2 Due process must be followed, i.e., employees should be given a chance to explain prior to the imposition of disciplinary action.
- 4.3 The immediate superior will impose the disciplinary action.
  - 4.3.1 Employees for suspension will be informed in writing of the Company's decision.
  - 4.3.2 A copy of the written warning with the employee's signature acknowledging receipt of the penalty will be filed in employee's 201 file. It will be a factor in evaluating the employee's performance within that rating period.
  - 4.3.3 Disciplinary action resulting to suspension shall be served in whole and will not be divided into segments several days apart (i.e. penalty of "six (6) days suspension" must be served continuously and not in segments of two (2) suspensions of three days each, or any other combination of days).
  - 4.3.4 The period of limitation of prescription is within 12 months from the date of the first offense.

5. LIST OF OFFENSES SUBJECT TO DISCIPLINARY ACTION

5.1 MINOR OFFENSES

Disciplinary Action

- 1<sup>st</sup> offense : Verbal warning
- 2<sup>nd</sup> offense : Written warning
- 3<sup>rd</sup> offense : 3 days maximum suspension
- 4<sup>th</sup> offense : 10 days maximum suspension
- 5<sup>th</sup> offense : 15 days maximum suspension
- 6<sup>th</sup> offense : Dismissal

*(Note: Where the offense result to loss to the Company, the employee shall pay the cost of damages or replacement)*

5.1.1 Conduct & Behavior

- 5.1.1.1 Improper office attire or failure/refusal to wear the prescribed company uniform and I.D
- 5.1.1.2 Failure to time in/out or swipe own time card
- 5.1.1.3 Failure to carry out instructions of a person in authority
- 5.1.1.4 False and/or malicious statements about the company, its employee or clients
- 5.1.1.5 Any conduct on company time which violates common decency, including:

- Creating or contributing to public disturbance such as engaging in horseplay, running, shouting during office hours or within company premises.
- Fighting, verbal abuse during office hours and/ or within company premises.

- 5.1.1.6 Doing personal work or engaging in private business during work hours
- 5.1.1.7 Misuse of internet/email for activities that interface with job responsibilities
- 5.1.1.8 Leaving work areas or company premises during working hours without permission
- 5.1.1.9 Sleeping, loitering or abandoning place of work during office hours
- 5.1.1.10 Gambling within Company premises
- 5.1.1.11 Causing material wastage due to carelessness
- 5.1.1.12 Accident with injury due to negligence
- 5.1.1.13 Unauthorized posting, altering or removing any matter on bulletin boards or company property
- 5.1.1.14 Failure to undergo the required physical examination
- 5.1.1.15 Other acts similar to the above that may be determined by the Company

## 5.1.2 Security & Property

- 5.1.2.1 Requisition and use of Company supplies for personal use
- 5.1.2.2 Misuse of telephone, which would include its use for unnecessary personal incoming and outgoing calls during and after office hours
- 5.1.2.3 Misuse of the internet/email for personal gain or profit
- 5.1.2.4 Unauthorized use of the internet/email facility, e.g., downloading unauthorized software; unauthorized installation of new software
- 5.1.2.5 Failure to properly secure office equipment and/or machines and company records at the close of work hours
- 5.1.2.6 Failure to use or wear required or authorized personal protective equipment when working
- 5.1.2.7 Vandalism, posting, altering or removing any matter on bulletin boards, or other designated areas unless specifically authorized
- 5.1.2.8 Accident due to negligence with damages or cost to company amounting to less than P1,000
- 5.1.2.9 Other acts similar to the above that may be determined by the Company

## 5.2 SERIOUS OFFENSES

### Disciplinary Action

- 1<sup>st</sup> offense : Written warning OR  
3 days maximum suspension
- 2<sup>nd</sup> offense : 10 days maximum suspension
- 3<sup>rd</sup> offense : Dismissal

(Note: Where the offense result to loss to the Company, the employee shall pay the cost of damages or replacement)

### 5.2.1 Conduct & Behavior

- 5.2.1.1 Timing in/out for another employee (e.g swiping another employee's ID/timecard in the time recorder/bundy clock)
- 5.2.1.2 Unauthorized altering of one's ID/timecard/time record or that of another employee's ID/timecard/time record
- 5.2.1.3 Harassment, threatening, intimidating, coercing, or assaulting fellow employees within the company premises
- 5.2.1.4 Use of offensive verbal or written remarks, lewd language against other persons
- 5.2.1.5 Misuse of authority or abuse of position to gain profit or advantage from employees under his supervision or control



- 5.2.1.6 Refusal to cooperate with a superior or officer in the performance of their duties or failure to do or neglecting to perform assigned work
- 5.2.1.7 Drinking alcohol or taking prohibitive drugs within Company premises
- 5.2.1.8 Reporting for work under the influence of intoxicating beverage or prohibitive drugs
- 5.2.1.9 False or fraudulent statements, written or knowingly withholding verbal or information, document or record in his possession and control during Company investigation
- 5.2.1.10 Publishing or publicly disseminating false or malicious statements about the Company, its employees or clients
- 5.2.1.11 Posting or downloading internet/email messages that are obscene, profane, threatening, harassing (racially, sexually or otherwise), defamatory, disruptive that will reflect poorly on the Company's name or reputation
- 5.2.1.12 Failure to report a serious contagious disease that may endanger other employees
- 5.2.1.13 Other acts similar to the above as may be determined by the Company

## 5.2.2 Security and Property

- 5.2.2.1 Accident due to negligence with damage to Company property amounting to over P1,000.00
- 5.2.2.2 Misuse of Company property or causing damage or loss of property
- 5.2.2.3 Failure to report an accident involving a company vehicle
- 5.2.2.4 Misuse or unauthorized access of the Company's internet/email facility resulting to the interference of the internet/email firewall or disruption of the internet/email service
- 5.2.2.5 Other acts similar to the above as may be determined by the Company

## 5.3 MAJOR OFFENSES

### Disciplinary Action

1<sup>st</sup> offense : 15 days maximum suspension  
OR dismissal

2<sup>nd</sup> offense : Dismissal

(Note: Where the offense result to loss to the Company, the employee shall pay the cost of damages or replacement)

5.3.1 Conduct of Behavior

- 5.3.1.1 Gross insubordination or disrespect to superiors
- 5.3.1.2 Betrayal of confidential information
- 5.3.1.3 Fraud or willful breach of trust in the conduct of the job
- 5.3.1.4 Using the internet/email for unauthorized access or release of confidential and/or restricted information
- 5.3.1.5 Using the internet/email to advertise or otherwise support unauthorized or illegal activities
- 5.3.1.6 Falsifying forging or altering official documents or Company records (including documents related to employment application or during course of employment)
- 5.3.1.7 Convincing with fellow employees or outsiders in falsifying, forging or altering Company records and/or official documents
- 5.3.1.8 Theft (whether consummated, attempted or frustrated) of Company or other employee's property/funds; malversation of Company funds
- 5.3.1.9 Illegal possession of firearms or other prohibited and dangerous items

- 5.3.1.10 Bringing in, possessing, selling or use of illegal drugs or unprescribed habit forming drugs or illegal drug paraphernalia within Company premises
- 5.3.1.11 Inciting, participating or intimidating others to participate in illegal concerted work stoppage, slowdown or other similar disruptive activities
- 5.3.1.12 Causing willful physical injury to any employee within the Company premises at anytime
- 5.3.1.13 Committing a criminal offense or a crime involving moral turpitude
- 5.3.1.14 Accepting other employment or engaging in business that may result in conflict of interest or competing antagonistic business
- 5.3.1.15 Offenses amounting to sexual harassment
- 5.3.1.16 Demanding, obtaining or accepting any sum of money, gifts or anything of value in consideration of any of the following:
  - For entering into arguments with suppliers, clients, or other third parties
  - For preferential treatment, unfair advantage or personal gain
  - For any act of service connected with the performance of one's duties and responsibilities

5.3.1.17 Other acts similar to the above as may be determined by the Company

### 5.3.2 Security and Property

5.3.2.1 Stealing, misappropriating, embezzling, damaging, destroying or substituting Company funds of property

5.3.2.2 Fraudulent, illegitimate or unauthorized possession, use withdrawal, acquisition or release of Company funds or property to other persons

5.3.2.3 Gross negligence or deliberate failure to follow instructions, established procedures, resulting in loss or damage to company property

5.3.2.4 Unauthorized removal from Company premises, concealing or deliberately misplacing Company property

5.3.2.5 Willful withholding and causing others to withhold due notification if known and needed information to persons concerned, resulting in loss or damage to Company property

5.3.2.6 Failure to report within a reasonable time, probable or actual loss or destruction of Company property

5.3.2.7 Operating, using, meddling with, tampering or impeding the proper use of machines, tools, equipment, vehicles and facilities which the employee has no authority to operate, use or otherwise have access to

5.3.2.8 Falsification of documents, padded receipts for reimbursement or liquidation of advances

5.3.2.9 Possession of firearms, explosive and/or deadly weapons within the Company premises at anytime without proper authorization

5.3.2.10 Other acts similar to the above as may be determined by the Company