

**ANNUAL CORPORATE GOVERNANCE REPORT OF**  
**BDO INSURANCE BROKERS, INC.**

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**BDO INSURE**  
*(A trademark of BDO Insurance Brokers, Inc.)*

1. For the fiscal year ended *December 31, 2023*
2. Certificate Authority Number *IB-13-2022-R-A*
3. Mandaluyong City, Metro Manila
4. 43F – 44F BDO Corporate Center Ortigas, 12 ADB Avenue, Ortigas Center, Mandaluyong City  
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5. (02) 8702-6000
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## CORPORATE GOVERNANCE REPORT (2023)

BDO INSURANCE BROKERS, INC. (BDOI)

### THE BOARD'S GOVERNANCE RESPONSIBILITIES

**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.**

Recommendation 1.1	COMPLIANT/ NON-COMPLIANT	ADDITIONAL INFORMATION	EXPLANATION
1. Board is composed of directors with collective working knowledge, experience or expertise that is relevant to the company's industry/sector.	<i>COMPLIANT</i>	<i>BDOI Board has five (5) members with expertise in the field of insurance, banking, business, and law.</i>  <i><a href="https://www.bdo.com.ph/content/dam/bdounibank/en-ph/mcg-digital-marketing/bdo-insurance/bdo-insure-non-life/corporate-profile/corporate-governance/2023-acgr-supporting-docs/BDO-Insure-Annual-Report-2023.pdf">https://www.bdo.com.ph/content/dam/bdounibank/en-ph/mcg-digital-marketing/bdo-insurance/bdo-insure-non-life/corporate-profile/corporate-governance/2023-acgr-supporting-docs/BDO-Insure-Annual-Report-2023.pdf</a></i>  <i>For the qualification standards, see Selection, Nomination and Election of Board Members of the Revised BDOI Corporate Governance Manual.</i>	

		<a href="https://www.bdo.com.ph/content/dam/bdounibank/en-ph/mcg-digital-marketing/bdo-insurance/bdo-insure-non-life/corporate-profile/corporate-governance/2023-acgr-supporting-docs/BDOI-Revised-Corporate-Governance-Manual_BDO-2023.pdf">https://www.bdo.com.ph/content/dam/bdounibank/en-ph/mcg-digital-marketing/bdo-insurance/bdo-insure-non-life/corporate-profile/corporate-governance/2023-acgr-supporting-docs/BDOI-Revised-Corporate-Governance-Manual_BDO-2023.pdf</a>	
2. Board has an appropriate mix of competence and expertise.	COMPLIANT	<p><i>BDOI Board has diverse and balanced composition consisting of highly qualified directors.</i></p> <p><a href="https://www.bdo.com.ph/content/dam/bdounibank/en-ph/mcg-digital-marketing/bdo-insurance/bdo-insure-non-life/corporate-profile/corporate-governance/2023-acgr-supporting-docs/BDO-Insure-Annual-Report-2023.pdf">https://www.bdo.com.ph/content/dam/bdounibank/en-ph/mcg-digital-marketing/bdo-insurance/bdo-insure-non-life/corporate-profile/corporate-governance/2023-acgr-supporting-docs/BDO-Insure-Annual-Report-2023.pdf</a></p>	
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	<p><i>Members of BDOI Board of Directors are highly competent individuals with demonstrated excellence in their respective fields.</i></p> <p><i>In 2023, due to the demise of BDO Insure's Chairman and President, Mr. Jesus A. Jacinto,</i></p>	

		<p><i>Mr. Lazaro Jerome C. Guevarra was appointed as Chairman while Ms. Maria Theresa L. Tan was appointed as President for Mr. Jacinto's unexpired term.</i></p> <p><i>As for the other directors, there have been no changes in their personal circumstances that would otherwise disqualify them to remain as Directors.</i></p> <p><a href="https://www.bdo.com.ph/content/dam/bdounibank/en-ph/mcg-digital-marketing/bdo-insurance/bdo-insure-non-life/corporate-profile/corporate-governance/2023-acgr-supporting-docs/BDO-Insure-Annual-Report-2023.pdf">https://www.bdo.com.ph/content/dam/bdounibank/en-ph/mcg-digital-marketing/bdo-insurance/bdo-insure-non-life/corporate-profile/corporate-governance/2023-acgr-supporting-docs/BDO-Insure-Annual-Report-2023.pdf</a></p>	
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Recommendation 1.2	COMPLIANT/ NON-COMPLIANT	ADDITIONAL INFORMATION	EXPLANATION
1. Board is composed of a majority of non-executive directors.	<b>COMPLIANT</b>	<p><i>As of 31 December 2023, BDOI Board is composed of a majority of non-executive directors (3) and 2 executive directors namely, the Chairman and the President. The List of BDOI's Directors and Executive Officers are published at the company</i></p>	

		<p>website.</p> <p><a href="https://www.bdo.com.ph/content/dam/bdounibank/en-ph/mcg-digital-marketing/bdo-insurance/bdo-insure-non-life/corporate-profile/corporate-governance/2023-acgr-supporting-docs/BDO-Insure-Annual-Report-2023.pdf">https://www.bdo.com.ph/content/dam/bdounibank/en-ph/mcg-digital-marketing/bdo-insurance/bdo-insure-non-life/corporate-profile/corporate-governance/2023-acgr-supporting-docs/BDO-Insure-Annual-Report-2023.pdf</a></p>	
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Recommendation 1.3	COMPLIANT/ NON-COMPLIANT	ADDITIONAL INFORMATION	EXPLANATION
1. Company provides in its Board Charter or Manual on Corporate Governance a policy on training of directors.	<i>COMPLIANT</i>	<p><i>All directors are also encouraged to participate in continuing education programs at the Company's expense to maintain a current and effective Board.</i></p> <p><i>Director orientation and continuing education is provided under Revised BDOI Corporate Governance Manual under Section 1.3 (page 2).</i></p> <p><a href="https://www.bdo.com.ph/content/dam/bdounibank/en-ph/mcg-digital-marketing/bdo-insurance/bdo-insure-non-life/corporate-profile/corporate-governance/2023-acgr-supporting-docs/BDO-Insure-Annual-Report-2023.pdf">https://www.bdo.com.ph/content/dam/bdounibank/en-ph/mcg-digital-marketing/bdo-insurance/bdo-insure-non-life/corporate-profile/corporate-governance/2023-acgr-supporting-docs/BDO-Insure-Annual-Report-2023.pdf</a></p>	

		<a href="#"><u>supporting-docs/BDOI-Revised-Corporate-Governance-Manual_BDO-2023.pdf</u></a>	
2. Company provides in its Board Charter or Manual on Corporate Governance an orientation program for first time directors.	COMPLIANT	<p><i>All newly-elected directors are required to undergo an orientation program within three (3) months from date of election. This is intended to familiarize the new directors on their statutory/fiduciary roles and responsibilities in the Board and Committees, company's strategic plans, enterprise risks, group structures, business activities, compliance programs, Code of Business Conduct and Ethics, Personal Trading Policy and Corporate Governance Manual. See Page 2, Section 1.3 of the Revised BDOI Corporate Governance Manual.</i></p> <p><a href="https://www.bdo.com.ph/content/dam/bdounibank/en-ph/mcg-digital-marketing/bdo-insurance/bdo-insure-non-life/corporate-profile/corporate-governance/2023-acgr-supporting-docs/BDOI-Revised-Corporate-Governance-Manual_BDO-2023.pdf"><u>https://www.bdo.com.ph/content/dam/bdounibank/en-ph/mcg-digital-marketing/bdo-insurance/bdo-insure-non-life/corporate-profile/corporate-governance/2023-acgr-supporting-docs/BDOI-Revised-Corporate-Governance-Manual_BDO-2023.pdf</u></a></p>	

3. Company has relevant annual continuing training for all directors.	<i>COMPLIANT</i>	<p><i>Director Orientation and Continuing Education Policy of Directors of the BDO Group is published under Section 1.3 of the Board Governance Framework found in the Revised BDOI Corporate Governance Manual.</i></p> <p><a href="https://www.bdo.com.ph/content/dam/bdounibank/en-ph/mcg-digital-marketing/bdo-insurance/bdo-insure-non-life/corporate-profile/corporate-governance/2023-acgr-supporting-docs/BDOI-Revised-Corporate-Governance-Manual_BDO-2023.pdf">https://www.bdo.com.ph/content/dam/bdounibank/en-ph/mcg-digital-marketing/bdo-insurance/bdo-insure-non-life/corporate-profile/corporate-governance/2023-acgr-supporting-docs/BDOI-Revised-Corporate-Governance-Manual_BDO-2023.pdf</a></p>	
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Recommendation 1.4	COMPLIANT/ NON-COMPLIANT	ADDITIONAL INFORMATION	EXPLANATION
1. Board has a policy on board diversity.	<i>COMPLIANT</i>	<p><i>The Company recognizes that diversity among its directors will foster critical discussion and promote balanced decision by the Board by utilizing the differences in perspectives of its directors. It views diversity at the Board level which includes difference in skills, experience, gender, sexual orientation, age,</i></p>	

		<p><i>religion, education, race, business and other related expertise as an essential element in maintaining an effective board for strong corporate governance.</i></p> <p><i>Please see Section 1.4 of the Revised BDOI Corporate Governance Manual for the company's Board Diversity Policy.</i></p> <p><a href="https://www.bdo.com.ph/content/dam/bdounibank/en-ph/mcg-digital-marketing/bdo-insurance/bdo-insure-non-life/corporate-profile/corporate-governance/2023-acgr-supporting-docs/BDOI-Revised-Corporate-Governance-Manual_BDO-2023.pdf">https://www.bdo.com.ph/content/dam/bdounibank/en-ph/mcg-digital-marketing/bdo-insurance/bdo-insure-non-life/corporate-profile/corporate-governance/2023-acgr-supporting-docs/BDOI-Revised-Corporate-Governance-Manual_BDO-2023.pdf</a></p>	
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Recommendation 1.5	COMPLIANT/ NON-COMPLIANT	ADDITIONAL INFORMATION	EXPLANATION
1. Board is assisted in its duties by a Corporate Secretary.	<i>COMPLIANT</i>	<p><i>The company's Corporate Secretary is Atty. Elmer B. Serrano.</i></p> <p><a href="https://www.bdo.com.ph/sites/default/files/pdf/Corporate-Secretary-Credentials.pdf">https://www.bdo.com.ph/sites/default/files/pdf/Corporate-Secretary-Credentials.pdf</a></p>	



2. Corporate Secretary is a separate individual from the Compliance Officer.	<i>COMPLIANT</i>	<i>He is a separate individual from the company's Compliance Officer.</i>	
3. Corporate Secretary is not a member of the Board of Directors.	<i>COMPLIANT</i>	<i>He is not a member of the Board.</i>	
4. Corporate Secretary attends training/s on corporate governance.	<i>COMPLIANT</i>	<i>Atty. Serrano attended BDO's 2023 Corporate Governance Seminar on 2 August 2023.</i>  <i>It was a 4-hour training with the following topics:</i> <ul style="list-style-type: none"> <li><i>Global Trends in Banking Tech and How BDO is Fairing Against Them</i></li> <li><i>Generative Artificial Intelligence</i></li> </ul>	

Recommendation 1.6	COMPLIANT/ NON-COMPLIANT	ADDITIONAL INFORMATION	EXPLANATION
1. Board is assisted in its duties by a Compliance Officer.	<i>COMPLIANT</i>	<i>BDOI Board is assisted by a Compliance Officer, Atty. Celine-Maria B. Janolo<sup>1</sup>.</i>  <i>BDOI's Compliance Officer is appointed by the Board of Directors. She reports functionally to the Board of</i>	

<sup>1</sup> \*Atty. Celine-Maria B. Janolo has resigned from her post as Compliance Officer of BDO Insure effective February 1, 2024.

		<p><i>Directors and administratively to the President/General Manager. She also reports to the parent bank's Compliance Group which exercises oversight to the compliance of the parent bank's subsidiaries.</i></p> <p><i>See Page 4 of the Revised BDOI Corporate Governance Manual for the Compliance Officer's qualifications, duties, and functions.</i></p> <p><a href="https://www.bdo.com.ph/content/dam/bdounibank/en-ph/mcg-digital-marketing/bdo-insurance/bdo-insure-non-life/corporate-profile/corporate-governance/2023-acgr-supporting-docs/BDOI-Revised-Corporate-Governance-Manual_BDO-2023.pdf">https://www.bdo.com.ph/content/dam/bdounibank/en-ph/mcg-digital-marketing/bdo-insurance/bdo-insure-non-life/corporate-profile/corporate-governance/2023-acgr-supporting-docs/BDOI-Revised-Corporate-Governance-Manual_BDO-2023.pdf</a></p>	
2. Compliance Officer has a rank of Vice President or an equivalent position with adequate stature and authority in the corporation.	<b>COMPLIANT</b>	<p><i>Compliance Officer has a rank of Senior Manager, in compliance with Section 11 of IC CL No. 2018-48 as amended by IC CL No. 2018-60, allowing designation of Compliance Officer at the management level from the previous requirement of</i></p>	

		<i>at least senior management level. She is in a position with adequate stature and authority in the corporation.</i>	
3. Compliance Officer is not a member of the Board of Directors.	<i>COMPLIANT</i>	<i>She is not a member of the Board.</i>	
4. Compliance Officer attends training/s on corporate governance.	<i>COMPLIANT</i>	<p><i>BDOL's former Compliance Officer, Atty.Celine-Maria Janolo, attended BDO's Corporate Governance Seminar on 2 August 2023. It was a 4-hour training, with the following topics:</i></p> <ul style="list-style-type: none"> <li><i>• Global Trends in Banking Tech and How BDO is Fairing Against Them</i></li> <li><i>• Generative Artificial Intelligence</i></li> </ul> <p><i>The new Compliance Officer, shall</i>  <u>attend training/s for 2024.</u></p>	

**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	COMPLIANT/ NON-COMPLIANT	ADDITIONAL INFORMATION	EXPLANATION
1. Directors act on a fully informed basis, in good faith, with due diligence and care, and in the best interest of the company.	<i>COMPLIANT</i>	<p><i>BDOI Directors act on a fully informed basis, in good faith, with due diligence and care, and in the best interest of the company. Please see Page 4 of the Revised BDOI Corporate Governance Manual for the company policy on Establishing Clear Roles of the Board under Section 2.</i></p> <p><a href="https://www.bdo.com.ph/content/dam/bdounibank/en-ph/mcg-digital-marketing/bdo-insurance/bdo-insure-non-life/corporate-profile/corporate-governance/2023-acgr-supporting-docs/BDOI-Revised-Corporate-Governance-Manual_BDO-2023.pdf">https://www.bdo.com.ph/content/dam/bdounibank/en-ph/mcg-digital-marketing/bdo-insurance/bdo-insure-non-life/corporate-profile/corporate-governance/2023-acgr-supporting-docs/BDOI-Revised-Corporate-Governance-Manual_BDO-2023.pdf</a></p> <p><i>Also, please see summary of 2023 Board Meetings showing the items discussed and approved by the BDOI Board:</i></p> <p><a href="https://www.bdo.com.ph/">https://www.bdo.com.ph/</a></p>	

		<a href="https://www.bdo.com.ph/content/dam/bdounibank/en-ph/mcg-digital-marketing/bdo-insurance/bdo-insure-non-life/corporate-profile/corporate-governance/2023-acgr-supporting-docs/2023-Other-Supporting-Documents.pdf">content/dam/bdounibank/en-ph/mcg-digital-marketing/bdo-insurance/bdo-insure-non-life/corporate-profile/corporate-governance/2023-acgr-supporting-docs/2023-Other-Supporting-Documents.pdf</a>	
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Recommendation 2.2	COMPLIANT/ NON-COMPLIANT	ADDITIONAL INFORMATION	EXPLANATION
1. Board oversees the development, review and approval of the company's business objectives and strategy.	<i>COMPLIANT</i>	<p><i>BDOI Board oversees the development, review and approval of the company's business objectives and strategy. Please see Page 4 of the Revised BDOI Corporate Governance Manual for the company policy on Establishing Clear Roles of the Board under Section 2.</i></p> <p><a href="https://www.bdo.com.ph/content/dam/bdounibank/en-ph/mcg-digital-marketing/bdo-insurance/bdo-insure-non-life/corporate-profile/corporate-governance/2023-acgr-supporting-docs/BDOI-Revised-Corporate-Governance-Manual_BDO-2023.pdf">https://www.bdo.com.ph/content/dam/bdounibank/en-ph/mcg-digital-marketing/bdo-insurance/bdo-insure-non-life/corporate-profile/corporate-governance/2023-acgr-supporting-docs/BDOI-Revised-Corporate-Governance-Manual_BDO-2023.pdf</a></p>	

		<p><i>Also, see attached Summary of 2023 Board Meetings issued by the Office of the Corporate Secretary:</i></p> <p><a href="https://www.bdo.com.ph/content/dam/bdounibank/en-ph/mcg-digital-marketing/bdo-insurance/bdo-insure-non-life/corporate-profile/corporate-governance/2023-acgr-supporting-docs/2023-Other-Supporting-Documents.pdf">https://www.bdo.com.ph/content/dam/bdounibank/en-ph/mcg-digital-marketing/bdo-insurance/bdo-insure-non-life/corporate-profile/corporate-governance/2023-acgr-supporting-docs/2023-Other-Supporting-Documents.pdf</a></p>	
<p>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.</p>	<p><b>COMPLIANT</b></p>	<p><i>BDOI 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.</i></p> <p><i>Please see Page 4 of the Revised BDOI Corporate Governance Manual for the company policy on Establishing Clear Roles of the Board under Section 2.</i></p> <p><a href="https://www.bdo.com.ph/content/dam/bdounibank/en-ph/mcg-digital-marketing/bdo-insurance/bdo-insure-non-life/corporate-profile/corporate-governance/2023-acgr-supporting-docs/2023-Other-Supporting-Documents.pdf">https://www.bdo.com.ph/content/dam/bdounibank/en-ph/mcg-digital-marketing/bdo-insurance/bdo-insure-non-life/corporate-profile/corporate-governance/2023-acgr-supporting-docs/2023-Other-Supporting-Documents.pdf</a></p>	

		<a href="#">governance/2023-acgr-supporting-docs/BDOI-Revised-Corporate-Governance-Manual_BDO-2023.pdf</a>  Also, please see attached Summary of 2023 Board Meetings issued by the Office of the Corporate Secretary's Office:  <a href="https://www.bdo.com.ph/content/dam/bdounibank/en-ph/mcg-digital-marketing/bdo-insurance/bdo-insure-non-life/corporate-profile/corporate-governance/2023-acgr-supporting-docs/2023-Other-Supporting-Documents.pdf">https://www.bdo.com.ph/content/dam/bdounibank/en-ph/mcg-digital-marketing/bdo-insurance/bdo-insure-non-life/corporate-profile/corporate-governance/2023-acgr-supporting-docs/2023-Other-Supporting-Documents.pdf</a>	
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Recommendation 2.3	COMPLIANT/ NON-COMPLIANT	ADDITIONAL INFORMATION	EXPLANATION
1. Board is headed by a competent and qualified Chairperson.	<i>COMPLIANT</i>	The Company's Chairperson is Mr. Lazaro Jerome C. Guevarra. See BDOI's Annual Report for his profile and qualifications.  <a href="https://www.bdo.com.ph/content/dam/bdounibank/en-ph/mcg-digital-marketing/bdo-insurance/bdo-insure-non-life/corporate-profile/corporate-">https://www.bdo.com.ph/content/dam/bdounibank/en-ph/mcg-digital-marketing/bdo-insurance/bdo-insure-non-life/corporate-profile/corporate-</a>	

		<a href="#"><u>governance/2023-acgr-supporting-docs/BDO-Insure-Annual-Report-2023.pdf</u></a>	
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Recommendation 2.4	COMPLIANT/ NON-COMPLIANT	ADDITIONAL INFORMATION	EXPLANATION
1. Board ensures and adopts an effective succession planning program for directors, key officers and management.	<i>COMPLIANT</i>	<p><i>BDOI Board ensures and adopts an effective succession planning program for directors, key officers and management. Please see Page 5 of the Revised BDOI Corporate Governance Manual for the company policy on management succession planning of directors under Section 2.1.</i></p> <p><a href="https://www.bdo.com.ph/content/dam/bdounibank/en-ph/mcg-digital-marketing/bdo-insurance/bdo-insure-non-life/corporate-profile/corporate-governance/2023-acgr-supporting-docs/BDOI-Revised-Corporate-Governance-Manual_BDO-2023.pdf"><u>https://www.bdo.com.ph/content/dam/bdounibank/en-ph/mcg-digital-marketing/bdo-insurance/bdo-insure-non-life/corporate-profile/corporate-governance/2023-acgr-supporting-docs/BDOI-Revised-Corporate-Governance-Manual_BDO-2023.pdf</u></a></p>	
2. Board adopts a policy on the retirement for directors and key officers.	<i>COMPLIANT</i>	<i>Please see Page 5 of the Revised BDOI Corporate Governance Manual for the company policy on retirement of</i>	



		<p><i>directors under Section 2.1.</i></p> <p><a href="https://www.bdo.com.ph/content/dam/bdounibank/en-ph/mcg-digital-marketing/bdo-insurance/bdo-insure-non-life/corporate-profile/corporate-governance/2023-acgr-supporting-docs/BDOI-Revised-Corporate-Governance-Manual_BDO-2023.pdf">https://www.bdo.com.ph/content/dam/bdounibank/en-ph/mcg-digital-marketing/bdo-insurance/bdo-insure-non-life/corporate-profile/corporate-governance/2023-acgr-supporting-docs/BDOI-Revised-Corporate-Governance-Manual_BDO-2023.pdf</a></p>	
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Recommendation 2.5	COMPLIANT/ NON-COMPLIANT	ADDITIONAL INFORMATION	EXPLANATION
1. Board formulates and adopts a policy specifying the relationship between remuneration and performance of key officers and board members.	<i>COMPLIANT</i>	<p><i>All qualified employees may be entitled to an annual merit increase in salary, based on their performance for the immediately preceding year. This has a long-term and compounding effect to the fixed pay, which serves as basis for their retirement benefit.</i></p> <p><i>See also Page 5 of the Revised BDOI Corporate Governance Manual under Section 2.2. Remuneration and Other Incentives of Directors and Senior Management.</i></p>	

		<a href="https://www.bdo.com.ph/content/dam/bdounibank/en-ph/mcg-digital-marketing/bdo-insurance/bdo-insure-non-life/corporate-profile/corporate-governance/2023-acgr-supporting-docs/BDOI-Revised-Corporate-Governance-Manual_BDO-2023.pdf">https://www.bdo.com.ph/content/dam/bdounibank/en-ph/mcg-digital-marketing/bdo-insurance/bdo-insure-non-life/corporate-profile/corporate-governance/2023-acgr-supporting-docs/BDOI-Revised-Corporate-Governance-Manual_BDO-2023.pdf</a>	
2. Board aligns the remuneration of key officers and board members with long-term interests of the company.	<i>COMPLIANT</i>	<p>The Company adopts remuneration policy that is geared towards attracting, retaining and motivating employees and members of the Board. See Page 5 of the Revised BDOI Corporate Governance Manual under Section 2.2.</p> <p><a href="https://www.bdo.com.ph/content/dam/bdounibank/en-ph/mcg-digital-marketing/bdo-insurance/bdo-insure-non-life/corporate-profile/corporate-governance/2023-acgr-supporting-docs/BDOI-Revised-Corporate-Governance-Manual_BDO-2023.pdf">https://www.bdo.com.ph/content/dam/bdounibank/en-ph/mcg-digital-marketing/bdo-insurance/bdo-insure-non-life/corporate-profile/corporate-governance/2023-acgr-supporting-docs/BDOI-Revised-Corporate-Governance-Manual_BDO-2023.pdf</a></p>	
3. Directors do not participate in discussions or	<i>COMPLIANT</i>	<i>The concerned directors are required to recuse in the</i>	

deliberations involving hi/her own remuneration.		<i>deliberation involving their own remunerations.</i>	
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Recommendation 2.6	COMPLIANT/ NON-COMPLIANT	ADDITIONAL INFORMATION	EXPLANATION
1. Board has a formal and transparent board nomination and election policy.	<i>COMPLIANT</i>	<i>The company adopts a policy to undertake the process of identifying the qualifications of directors aligned with the company's strategic direction. In evaluating the suitability of individual board member and promoting diversity in the composition of the Board, the Board should take into account the relevant qualifications of every candidate nominated for election such as among others, physical/mental fitness, relevant educational and professional background, personal track record, experience/training, commitment to contribute, willingness to serve and interest to remain engaged and involved without undue prejudice to race, gender, ethnic origin, religion, age or sexual orientation. See Page 6 of the Revised BDOI Corporate Governance Manual on Selection, Nomination and</i>	

		<p><i>Election of Board Members under Section 2.3.</i></p> <p><a href="https://www.bdo.com.ph/content/dam/bdounibank/en-ph/mcg-digital-marketing/bdo-insurance/bdo-insure-non-life/corporate-profile/corporate-governance/2023-acgr-supporting-docs/BDOI-Revised-Corporate-Governance-Manual_BDO-2023.pdf">https://www.bdo.com.ph/content/dam/bdounibank/en-ph/mcg-digital-marketing/bdo-insurance/bdo-insure-non-life/corporate-profile/corporate-governance/2023-acgr-supporting-docs/BDOI-Revised-Corporate-Governance-Manual_BDO-2023.pdf</a></p>	
2. Board nomination and election policy is disclosed in the company's Manual on Corporate Governance.	<i>COMPLIANT</i>	<p><i>Yes.</i></p> <p><i>Please see Page 6 of the Revised BDOI Corporate Governance Manual on Selection, Nomination and Election of Board Members under Section 2.3.</i></p> <p><a href="https://www.bdo.com.ph/content/dam/bdounibank/en-ph/mcg-digital-marketing/bdo-insurance/bdo-insure-non-life/corporate-profile/corporate-governance/2023-acgr-supporting-docs/BDOI-Revised-Corporate-Governance-Manual_BDO-2023.pdf">https://www.bdo.com.ph/content/dam/bdounibank/en-ph/mcg-digital-marketing/bdo-insurance/bdo-insure-non-life/corporate-profile/corporate-governance/2023-acgr-supporting-docs/BDOI-Revised-Corporate-Governance-Manual_BDO-2023.pdf</a></p>	
3. Board nomination and	<i>NOT APPLICABLE</i>		<i>BDO Insurance Brokers,</i>

election policy includes how the company accepts nominations from minority shareholders.			<i>Inc. is a wholly owned subsidiary of the BDO Unibank. – there are no minority shareholders.</i>
4. Board nomination and election policy includes how the board reviews nominated candidates.	<i>COMPLIANT</i>	<p>Yes.</p> <p><i>Please see Page 6 of the Revised BDOI Corporate Governance Manual on Selection, Nomination and Election of Board Members under Section 2.3.</i></p> <p><a href="https://www.bdo.com.ph/content/dam/bdounibank/en-ph/mcg-digital-marketing/bdo-insurance/bdo-insure-non-life/corporate-profile/corporate-governance/2023-acgr-supporting-docs/BDOI-Revised-Corporate-Governance-Manual_BDO-2023.pdf">https://www.bdo.com.ph/content/dam/bdounibank/en-ph/mcg-digital-marketing/bdo-insurance/bdo-insure-non-life/corporate-profile/corporate-governance/2023-acgr-supporting-docs/BDOI-Revised-Corporate-Governance-Manual_BDO-2023.pdf</a></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.	<i>COMPLIANT</i>	<p>Yes.</p> <p><i>Please see Page 6 of the Revised BDOI Corporate Governance Manual on Selection, Nomination and Election of Board Members under Section 2.3.</i></p> <p><a href="https://www.bdo.com.ph/">https://www.bdo.com.ph/</a></p>	

		<a href="https://www.bdo.com.ph/content/dam/bdounibank/en-ph/mcg-digital-marketing/bdo-insurance/bdo-insure-non-life/corporate-profile/corporate-governance/2023-acgr-supporting-docs/BDOI-Revised-Corporate-Governance-Manual_BDO-2023.pdf">content/dam/bdounibank/en-ph/mcg-digital-marketing/bdo-insurance/bdo-insure-non-life/corporate-profile/corporate-governance/2023-acgr-supporting-docs/BDOI-Revised-Corporate-Governance-Manual_BDO-2023.pdf</a>	
6. Board has a process for identifying the quality of directors that is aligned with the strategic direction of the company.	COMPLIANT	<p>Yes.</p> <p>Please see Page 6 of the Revised BDOI Corporate Governance Manual on Selection, Nomination and Election of Board Members under Section 2.3.</p> <p><a href="https://www.bdo.com.ph/content/dam/bdounibank/en-ph/mcg-digital-marketing/bdo-insurance/bdo-insure-non-life/corporate-profile/corporate-governance/2023-acgr-supporting-docs/BDOI-Revised-Corporate-Governance-Manual_BDO-2023.pdf">https://www.bdo.com.ph/content/dam/bdounibank/en-ph/mcg-digital-marketing/bdo-insurance/bdo-insure-non-life/corporate-profile/corporate-governance/2023-acgr-supporting-docs/BDOI-Revised-Corporate-Governance-Manual_BDO-2023.pdf</a></p>	

Recommendation 2.7	COMPLIANT/ NON-COMPLIANT	ADDITIONAL INFORMATION	EXPLANATION
1. Board has overall	COMPLIANT	<i>BDO Group has a Related Party</i>	

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><i>Transactions Policy to ensure that every related party transaction is conducted in a manner that will prevent conflict of interest which may arise between the company and its related parties.</i></p> <p><a href="https://www.bdo.com.ph/content/dam/bdounibank/en-ph/about-bdo/corporate-governance/corporate-policies/Revised%20RPT%20Policy.pdf">https://www.bdo.com.ph/content/dam/bdounibank/en-ph/about-bdo/corporate-governance/corporate-policies/Revised%20RPT%20Policy.pdf</a></p> <p>In addition, BDOI has also adopted its own Related Party Transactions Policy.</p> <p><i>Pls. refer also to Section 2 (4) of BDOI's Revised Corporate Governance Manual</i></p> <p><a href="https://www.bdo.com.ph/content/dam/bdounibank/en-ph/mcg-digital-marketing/bdo-insurance/bdo-insure-non-life/corporate-profile/corporate-governance/2023-acgr-supporting-docs/BDOI-Revised-Corporate-Governance-Manual_BDO-2023.pdf">https://www.bdo.com.ph/content/dam/bdounibank/en-ph/mcg-digital-marketing/bdo-insurance/bdo-insure-non-life/corporate-profile/corporate-governance/2023-acgr-supporting-docs/BDOI-Revised-Corporate-Governance-Manual_BDO-2023.pdf</a></p>	
2. RPT policy includes	COMPLIANT	Yes.	

<p>appropriate review and approval of material RPTs, which guarantee fairness and transparency of the transactions.</p>		<p><a href="https://www.bdo.com.ph/content/dam/bdounibank/en-ph/about-bdo/corporate-governance/corporate-policies/Revised%20RPT%20Policy.pdf">https://www.bdo.com.ph/content/dam/bdounibank/en-ph/about-bdo/corporate-governance/corporate-policies/Revised%20RPT%20Policy.pdf</a></p> <p>In addition, BDOI has also adopted its own Related Party Transactions Policy.</p> <p><i>Pls. refer also to Section 2 (4) of BDOI's Revised Corporate Governance Manual</i></p> <p><a href="https://www.bdo.com.ph/content/dam/bdounibank/en-ph/mcg-digital-marketing/bdo-insurance/bdo-insure-non-life/corporate-profile/corporate-governance/2023-acgr-supporting-docs/BDOI-Revised-Corporate-Governance-Manual_BDO-2023.pdf">https://www.bdo.com.ph/content/dam/bdounibank/en-ph/mcg-digital-marketing/bdo-insurance/bdo-insure-non-life/corporate-profile/corporate-governance/2023-acgr-supporting-docs/BDOI-Revised-Corporate-Governance-Manual_BDO-2023.pdf</a></p>	
<p>3. RPT policy encompasses all entities within the group, taking into account their size, structure, risk profile and complexity of operations.</p>	<p><b>COMPLIANT</b></p>	<p>Yes.</p> <p><a href="https://www.bdo.com.ph/content/dam/bdounibank/en-ph/about-bdo/corporate-governance/corporate-policies/Revised%20RPT%20Policy.pdf">https://www.bdo.com.ph/content/dam/bdounibank/en-ph/about-bdo/corporate-governance/corporate-policies/Revised%20RPT%20Policy.pdf</a></p> <p>In addition, BDOI has also</p>	



		<p>adopted its own Related Party Transactions Policy.</p> <p><i>Pls. refer also to Section 2 (4) of BDOI's Revised Corporate Governance Manual</i></p> <p><a href="https://www.bdo.com.ph/content/dam/bdounibank/en-ph/mcg-digital-marketing/bdo-insurance/bdo-insure-non-life/corporate-profile/corporate-governance/2023-acgr-supporting-docs/BDOI-Revised-Corporate-Governance-Manual_BDO-2023.pdf">https://www.bdo.com.ph/content/dam/bdounibank/en-ph/mcg-digital-marketing/bdo-insurance/bdo-insure-non-life/corporate-profile/corporate-governance/2023-acgr-supporting-docs/BDOI-Revised-Corporate-Governance-Manual_BDO-2023.pdf</a></p>	
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Recommendation 2.8	COMPLIANT/ NON-COMPLIANT	ADDITIONAL INFORMATION	EXPLANATION
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).	<i>COMPLIANT</i>	<i>BDOI Board approved the designation of the Company's Compliance Officer. Currently, BDOI has a risk officer with a managerial position, who regularly coordinates with the parent Bank's Operational Risk Management Unit. Meanwhile, Internal Audit is also outsourced to the parent company's Internal Audit Group.</i>	

		<p>See copy of the Secretary's Certificate regarding the appointment of Compliance Officer.</p> <p><a href="https://www.bdo.com.ph/content/dam/bdounibank/en-ph/mcg-digital-marketing/bdo-insurance/bdo-insure-non-life/corporate-profile/corporate-governance/2023-acgr-supporting-docs/2023-Other-Supporting-Documents.pdf">https://www.bdo.com.ph/content/dam/bdounibank/en-ph/mcg-digital-marketing/bdo-insurance/bdo-insure-non-life/corporate-profile/corporate-governance/2023-acgr-supporting-docs/2023-Other-Supporting-Documents.pdf</a></p>	
<p>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).</p>	<p><b>COMPLIANT</b></p>	<p><i>BDOL adopts its parent bank's policy on the assessment process for senior management as part of the Board Performance Self-Assessment Form published in the corporate website under Company Policies.</i></p> <p><a href="https://www.bdo.com.ph/sites/default/files/pdf/Board%20Evaluation%20Forms.pdf">https://www.bdo.com.ph/sites/default/files/pdf/Board%20Evaluation%20Forms.pdf</a></p> <p><i>Pls. refer also to Section 6 of BDOL's Revised Corporate Governance Manual</i></p> <p><a href="https://www.bdo.com.ph/content/dam/bdounibank/en-ph/mcg-digital-marketing/bdo-">https://www.bdo.com.ph/content/dam/bdounibank/en-ph/mcg-digital-marketing/bdo-</a></p>	

		<a href="#"><u>insurance/bdo-insure-non-life/corporate-profile/corporate-governance/2023-acgr-supporting-docs/BDOI-Revised-Corporate-Governance-Manual_BDO-2023.pdf</u></a>	
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Recommendation 2.9	COMPLIANT/ NON-COMPLIANT	ADDITIONAL INFORMATION	EXPLANATION
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.	<i>COMPLIANT</i>	<i>The Key Result Areas Plan (KRA) is the effective performance management framework adopted to ensure that individual performance is tracked versus standards set by Management and Board.</i>	
2. Board establishes an effective performance management framework that ensures that personnel's performance is at par with the standards set by the Board and Senior Management.	<i>COMPLIANT</i>	<i>All employees are assessed using a pre-defined KRA, relative to the employees' functions.</i>	

Recommendation 2.10	COMPLIANT/ NON-COMPLIANT	ADDITIONAL INFORMATION	EXPLANATION
1. Board oversees that an appropriate internal control system is in place.	<i>COMPLIANT</i>	<p><i>See Page 9 of the Revised BDOI Corporate Governance Manual for the Board's Governance Responsibilities which includes Internal Control and Risk Management.</i></p> <p><a href="https://www.bdo.com.ph/content/dam/bdounibank/en-ph/mcg-digital-marketing/bdo-insurance/bdo-insure-non-life/corporate-profile/corporate-governance/2023-acgr-supporting-docs/BDOI-Revised-Corporate-Governance-Manual_BDO-2023.pdf">https://www.bdo.com.ph/content/dam/bdounibank/en-ph/mcg-digital-marketing/bdo-insurance/bdo-insure-non-life/corporate-profile/corporate-governance/2023-acgr-supporting-docs/BDOI-Revised-Corporate-Governance-Manual_BDO-2023.pdf</a></p>	
2. The internal control system includes a mechanism for monitoring and managing potential conflict of interest of the Management, members and shareholders.	<i>COMPLIANT</i>	<p><i>See Revised BDOI Corporate Governance Manual for the company's policy on strengthening board ethics that addresses potential conflicts of interest under Section 7.</i></p> <p><a href="https://www.bdo.com.ph/content/dam/bdounibank/en-ph/mcg-digital-marketing/bdo-">https://www.bdo.com.ph/content/dam/bdounibank/en-ph/mcg-digital-marketing/bdo-</a></p>	

		<a href="#"><u>insurance/bdo-insure-non-life/corporate-profile/corporate-governance/2023-acgr-supporting-docs/BDOI-Revised-Corporate-Governance-Manual_BDO-2023.pdf</u></a>	
3. Board approves the Internal Audit Charter.	<i>COMPLIANT</i>	<p><i>Since the functions of internal audit is being outsourced by BDOI to its parent company's Internal Audit Group, said Internal Audit Group's Charter as approved by the parent company's Board is duly adopted by BDOI.</i></p> <p><i>See copy of the Internal Audit Charter as approved and adopted by BDOI</i></p> <p><a href="https://www.bdo.com.ph/content/dam/bdounibank/en-ph/mcg-digital-marketing/bdo-insurance/bdo-insure-non-life/corporate-profile/corporate-governance/2023-acgr-supporting-docs/2023-Other-Supporting-Documents.pdf"><i>https://www.bdo.com.ph/content/dam/bdounibank/en-ph/mcg-digital-marketing/bdo-insurance/bdo-insure-non-life/corporate-profile/corporate-governance/2023-acgr-supporting-docs/2023-Other-Supporting-Documents.pdf</i></a></p>	

Recommendation 2.11	COMPLIANT/ NON-COMPLIANT	ADDITIONAL INFORMATION	EXPLANATION
1. Board oversees that the	<i>COMPLIANT</i>	<i>Yes, the Board oversees that</i>	

company has in place a sound enterprise risk management (ERM) framework to effectively identify, monitor, assess and manage key business risks.		<p><i>the company has in place a sound enterprise risk management (ERM). Please see Revised BDOI Corporate Governance Manual for BDOI's Internal Control and Risk Management in Page 9.</i></p> <p><a href="https://www.bdo.com.ph/content/dam/bdounibank/en-ph/mcg-digital-marketing/bdo-insurance/bdo-insure-non-life/corporate-profile/corporate-governance/2023-acgr-supporting-docs/BDOI-Revised-Corporate-Governance-Manual_BDO-2023.pdf">https://www.bdo.com.ph/content/dam/bdounibank/en-ph/mcg-digital-marketing/bdo-insurance/bdo-insure-non-life/corporate-profile/corporate-governance/2023-acgr-supporting-docs/BDOI-Revised-Corporate-Governance-Manual_BDO-2023.pdf</a></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.	COMPLIANT	<p><i>Please see Revised BDOI Corporate Governance Manual for BDOI's Internal Control and Risk Management in Page 9.</i></p> <p><a href="https://www.bdo.com.ph/content/dam/bdounibank/en-ph/mcg-digital-marketing/bdo-insurance/bdo-insure-non-life/corporate-profile/corporate-governance/2023-acgr-supporting-docs/BDOI-Revised-Corporate-Governance-Manual_BDO-2023.pdf">https://www.bdo.com.ph/content/dam/bdounibank/en-ph/mcg-digital-marketing/bdo-insurance/bdo-insure-non-life/corporate-profile/corporate-governance/2023-acgr-supporting-docs/BDOI-Revised-Corporate-Governance-Manual_BDO-2023.pdf</a></p>	

Recommendation 2.12	COMPLIANT/ NON-COMPLIANT	ADDITIONAL INFORMATION	EXPLANATION
1. Board has a Board Charter that formalizes and clearly states its roles, responsibilities and accountabilities in carrying out its fiduciary duties.	<i>COMPLIANT</i>	<p><i>The Revised BDOI Corporate Governance Manual already incorporates in detail the Board Charter which clearly states its roles, responsibilities and accountabilities in carrying out its fiduciary duties.</i></p> <p><a href="https://www.bdo.com.ph/content/dam/bdounibank/en-ph/mcg-digital-marketing/bdo-insurance/bdo-insure-non-life/corporate-profile/corporate-governance/2023-acgr-supporting-docs/BDOI-Revised-Corporate-Governance-Manual_BDO-2023.pdf">https://www.bdo.com.ph/content/dam/bdounibank/en-ph/mcg-digital-marketing/bdo-insurance/bdo-insure-non-life/corporate-profile/corporate-governance/2023-acgr-supporting-docs/BDOI-Revised-Corporate-Governance-Manual_BDO-2023.pdf</a></p>	
2. Board Charter serves as a guide to the directors in the performance of their functions.	<i>COMPLIANT</i>	<i>As above.</i>	
3. Board Charter is publicly available and posted on the company's website.	<i>COMPLIANT</i>	<p><i>Yes. BDOI Corporate Governance Manual which incorporates in detail the Board Charter, is publicly accessible at the following link:</i></p>	

		<a href="https://www.bdo.com.ph/content/dam/bdounibank/en-ph/mcg-digital-marketing/bdo-insurance/bdo-insure-non-life/corporate-profile/corporate-governance/2023-acgr-supporting-docs/BDOI-Revised-Corporate-Governance-Manual_BDO-2023.pdf">https://www.bdo.com.ph/content/dam/bdounibank/en-ph/mcg-digital-marketing/bdo-insurance/bdo-insure-non-life/corporate-profile/corporate-governance/2023-acgr-supporting-docs/BDOI-Revised-Corporate-Governance-Manual_BDO-2023.pdf</a>	
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**Principle 3: Board committees should 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	COMPLIANT/ NON-COMPLIANT	ADDITIONAL INFORMATION	EXPLANATION
1. Board establishes board committees that focus on specific board functions to aid in the optimal performance of its roles and responsibilities.	<i>COMPLIANT</i>	<p><i>BDOI has Board Committees which convene during the Board meetings and chaired by the appointed Board Committee Chairperson (e.g., Board Audit Committee, Corporate Governance Committee).</i></p> <p><a href="https://www.bdo.com.ph/content/dam/bdounibank/en-ph/mcg-digital-marketing/bdo-insurance/bdo-insure-non-life/corporate-profile/corporate-governance/2023-acgr-">https://www.bdo.com.ph/content/dam/bdounibank/en-ph/mcg-digital-marketing/bdo-insurance/bdo-insure-non-life/corporate-profile/corporate-governance/2023-acgr-</a></p>	



		<a href="#">supporting-docs/BDOI-Revised-Corporate-Governance-Manual_BDO-2023.pdf</a>	
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Recommendation 3.2	COMPLIANT/ NON-COMPLIANT	ADDITIONAL INFORMATION	EXPLANATION
1. Board establishes an Audit Committee to enhance capability over the company's financial reporting, internal control system, internal and external audit processes, and compliance with applicable laws and regulations.	<i>COMPLIANT</i>	<i>BDOI has a Board Audit Committee which convenes during the Board Meeting.</i>	
2. Audit committee is composed of at least three appropriately qualified non-executive directors, the majority of whom, including the Chairman is independent.	<i>COMPLIANT</i>	<i>The composition of BDOI's Board Audit Committee convening during the Board Meeting are two (2) non-executive directors and BDO Insure's lone Independent Director (following the 20% Independent Director requirement under IC CL 2019-36), who also serves as the Chairman of the Committee.</i>	

3. All the members of the committee have relevant background, knowledge, skills, and/or experience in the areas of accounting, auditing and finance.	<i>COMPLIANT</i>	<i>All the members of the Board Audit Committee are seasoned and experienced bankers, finance/ accounting professionals, and with extensive background in audit.</i>	
4. The Chairman of the Audit Committee is not the Chairman of the Board or of any other committee.	<i>COMPLIANT</i>	<i>The Chairman of the Board Audit Committee is the Independent Director of BDO Insure, Atty. Luis Ma. G. Uranza, who is not the Chairman of the Board or of any other committee.</i>	

Recommendation 3.3	COMPLIANT/ NON-COMPLIANT	ADDITIONAL INFORMATION	EXPLANATION
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.	<i>COMPLIANT</i>	<i>BDOI has a Corporate Governance Committee which convenes during the Board Meeting.</i>	

2. Corporate Governance Committee is composed of at least three members, majority of whom should be independent directors.	<i>COMPLIANT</i>	<i>The composition of BDOI's Corporate Governance Committee convening during the Board Meeting are two (2) non-executive directors and BDO Insure's lone Independent Director (following the 20% Independent Director requirement under IC CL 2019-36).</i>	
3. Chairman of the Corporate Governance Committee is an independent director.	<i>NON-COMPLIANT</i>		<p><i>BDO Insure's Corporate Governance Committee is chaired by a Non-Executive Director, considering that BDO Insure has one independent director (which satisfies the 20% requirement under IC CL No. 2019-36). The said Independent Director is also the Chairman of the Board Audit Committee and as such, may not sit as a member of any other committee.</i></p> <p><i>In any event, the Independent Director sits as a member of the</i></p>

			Corporate Governance Committee.
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Recommendation 3.4	COMPLIANT/ NON-COMPLIANT	ADDITIONAL INFORMATION	EXPLANATION
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	<i>BDOI has a Board Risk Oversight Committee which convenes during the Board Meeting as the need arises.</i>	
2. BROC is composed of at least three members, the majority of whom should be independent directors, including the Chairman.	COMPLIANT	<i>The composition of BDOI's Board Risk Oversight Committee convening during the Board Meeting are two (2) non-executive directors and BDO Insure's lone Independent Director (following the 20% Independent Director requirement under IC CL 2019-36).</i>	
3. The Chairman of the			<i>BDO Insure is composed</i>

BROC is not the Chairman of the Board or of any other committee.	<i>NON-COMPLIANT</i>		<p><i>of a five-member Board, and the lone Independent Director (following IC CL 2019-36) sits as the Chairman of Board Audit Committee. The two non-executive director sits as chairman of Related Party Transaction Committee and Corporate Governance Committee.</i></p> <p><i>In any event, BDO Insure is part of the Enterprise Risk Management System of its parent company, BDO Unibank, Inc., ensuring that risk oversight over BDO Insure is adequate.</i></p>
4. At least one member of the BROC has relevant thorough knowledge and experience on risk and risk management.	<i>COMPLIANT</i>	<i>All the members of the Board Audit Committee are seasoned and experienced bankers, finance/ accounting professionals, and with thorough knowledge in risk management.</i>	

Recommendation 3.5	COMPLIANT/ NON-COMPLIANT	ADDITIONAL INFORMATION	EXPLANATION
1. The Board establishes a		<i>BDOI has a Related Party</i>	

Related Party Transactions (RPT) Committee, which is tasked with reviewing all material related party transactions of the company.	<i>COMPLIANT</i>	<i>Transactions (RPT) Committee which convenes during the Board Meeting.</i>	
2. RPT Committee is composed of at least three non-executive directors, majority of whom should be independent, including the Chairman.	<i>COMPLIANT</i>	<i>The composition of BDOI's Corporate Governance Committee convening during the Board Meeting are two (2) non-executive directors and BDO Insure's lone Independent Director (following the 20% Independent Director requirement under IC CL 2019-36).</i>	

Recommendation 3.6	COMPLIANT/ NON-COMPLIANT	ADDITIONAL INFORMATION	EXPLANATION
1. All established committee have a Committee Charters stating in plain term their respective purposes, memberships, structures, operations, reporting process, resources and other relevant information.	<i>COMPLIANT</i>	<i>The scope of function of each committee is contained in the Corporate Governance Manual of BDO Insure. This is supplemented by the charter of the equivalent committee from its parent company.</i>	

2. Committee Charters provide standards for evaluating the performance of the Committees.	COMPLIANT	<i>The standards for the performance evaluation of each Committee are contained in BDO Insure's Corporate Governance Manual and is rated through the annual Board Effectiveness Evaluation (BEE).</i>	
3. Committee Charters were fully disclosed on the company's website.	COMPLIANT	<p><i>The scope of function of each committee is contained in the Corporate Governance Manual of BDO Insure published at:</i></p> <p><i><a href="https://www.bdo.com.ph/content/dam/bdounibank/en-ph/mcg-digital-marketing/bdo-insurance/bdo-insure-non-life/corporate-profile/corporate-governance/2023-acgr-supporting-docs/BDOL-Revised-Corporate-Governance-Manual_BDO-2023.pdf">https://www.bdo.com.ph/content/dam/bdounibank/en-ph/mcg-digital-marketing/bdo-insurance/bdo-insure-non-life/corporate-profile/corporate-governance/2023-acgr-supporting-docs/BDOL-Revised-Corporate-Governance-Manual_BDO-2023.pdf</a></i></p> <p><i>This is supplemented by the charter of the equivalent committee from its parent company, also published at BDO Unibank, Inc.'s website.</i></p>	

**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 responsibilities, including sufficient time to be familiar with the corporation's business.**

Recommendation 4.1	COMPLIANT/ NON-COMPLIANT	ADDITIONAL INFORMATION	EXPLANATION
1. The Director attends and actively participates 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.	<i>COMPLIANT</i>	<p><i>See attached disclosure on the attendance and participation of directors to Board meetings, which can also be viewed through:</i></p> <p><i><a href="https://www.bdo.com.ph/content/dam/bdounibank/en-ph/mcg-digital-marketing/bdo-insurance/bdo-insure-non-life/corporate-profile/corporate-governance/2023-acgr-supporting-docs/2023-Other-Supporting-Documents.pdf">https://www.bdo.com.ph/content/dam/bdounibank/en-ph/mcg-digital-marketing/bdo-insurance/bdo-insure-non-life/corporate-profile/corporate-governance/2023-acgr-supporting-docs/2023-Other-Supporting-Documents.pdf</a></i></p>	
2. The directors review meeting materials for all Board and Committee meetings.	<i>COMPLIANT</i>	<p><i>The directors are expected to prepare diligently for the meetings to evaluate and add value to the items presented, actively participate and contribute meaningfully to the discussions of the Board.</i></p> <p><i>Please see Revised BDOI Corporate Governance Manual for the Board's Duties and</i></p>	



		<p><i>Responsibilities under Section 1.</i></p> <p><a href="https://www.bdo.com.ph/content/dam/bdounibank/en-ph/mcg-digital-marketing/bdo-insurance/bdo-insure-non-life/corporate-profile/corporate-governance/2023-acgr-supporting-docs/BDOI-Revised-Corporate-Governance-Manual_BDO-2023.pdf">https://www.bdo.com.ph/content/dam/bdounibank/en-ph/mcg-digital-marketing/bdo-insurance/bdo-insure-non-life/corporate-profile/corporate-governance/2023-acgr-supporting-docs/BDOI-Revised-Corporate-Governance-Manual_BDO-2023.pdf</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><i>The directors are expected to prepare diligently for the meetings to evaluate and add value to the items presented, actively participate and contribute meaningfully to the discussions of the Board.</i></p> <p><i>Please see Revised BDOI Corporate Governance Manual for the Board's Duties and Responsibilities under Section 1.</i></p> <p><a href="https://www.bdo.com.ph/content/dam/bdounibank/en-ph/mcg-digital-marketing/bdo-insurance/bdo-insure-non-life/corporate-profile/corporate-governance/2023-acgr-">https://www.bdo.com.ph/content/dam/bdounibank/en-ph/mcg-digital-marketing/bdo-insurance/bdo-insure-non-life/corporate-profile/corporate-governance/2023-acgr-</a></p>	

		<a href="#"><u>supporting-docs/BDOI-Revised-Corporate-Governance-Manual_BDO-2023.pdf</u></a>	
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Recommendation 4.2	COMPLIANT/ NON-COMPLIANT	ADDITIONAL INFORMATION	EXPLANATION
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 proposal/views, and oversee the long-term strategy of the company.	<i>COMPLIANT</i>	<p><i>Yes. BDOI's non-executive directors may only 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 proposal/views, and oversee the long-term strategy of the company.</i></p> <p><i>Please see BDOI's Multiple Board Seats Policy in the Revised BDOI Corporate Governance Manual under Section 4.5.</i></p> <p><a href="https://www.bdo.com.ph/content/dam/bdounibank/en-ph/mcg-digital-marketing/bdo-insurance/bdo-insure-non-life/corporate-profile/corporate-governance/2023-acgr-supporting-docs/BDOI-Revised-"><u>https://www.bdo.com.ph/content/dam/bdounibank/en-ph/mcg-digital-marketing/bdo-insurance/bdo-insure-non-life/corporate-profile/corporate-governance/2023-acgr-supporting-docs/BDOI-Revised-</u></a></p>	

		<a href="#"><u>Corporate-Governance-Manual_BDO-2023.pdf</u></a>  <i>In addition, BDOI has adopted an Interlocking Policy for Interlocking Officerships and Directorships.</i>	
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Recommendation 4.3	COMPLIANT/ NON-COMPLIANT	ADDITIONAL INFORMATION	EXPLANATION
1. The directors notify the company's board where he/she is an incumbent director before accepting a directorship in another company.	<i>COMPLIANT</i>	<p><i>This is part of the BDOI's Multiple Board Seats Policy in Page 13 of the Revised BDOI Corporate Governance Manual.</i></p> <p><a href="https://www.bdo.com.ph/content/dam/bdounibank/en-ph/mcg-digital-marketing/bdo-insurance/bdo-insure-non-life/corporate-profile/corporate-governance/2023-acgr-supporting-docs/BDOI-Revised-Corporate-Governance-Manual_BDO-2023.pdf"><u>https://www.bdo.com.ph/content/dam/bdounibank/en-ph/mcg-digital-marketing/bdo-insurance/bdo-insure-non-life/corporate-profile/corporate-governance/2023-acgr-supporting-docs/BDOI-Revised-Corporate-Governance-Manual_BDO-2023.pdf</u></a></p> <p><i>In addition, BDOI has adopted an Interlocking Policy for Interlocking Officerships and Directorships.</i></p>	

**Principle 5: The board should endeavor to exercise an objective and independent judgment on all corporate affairs.**

Recommendation 5.1	COMPLIANT/ NON-COMPLIANT	ADDITIONAL INFORMATION	EXPLANATION
1. The Board is composed of at least twenty percent (20%) independent directors.	<i>COMPLIANT</i>	<i>BDOI has one independent director in its five (5) member Board in compliance with IC CL No. 2019-36 which mandates ICREs to have independent directors constituting at least 20% of its Board.</i>	

Recommendation 5.2	COMPLIANT/ NON-COMPLIANT	ADDITIONAL INFORMATION	EXPLANATION
1. The independent directors possess all the necessary qualifications and none of the disqualifications to hold the position.	<i>COMPLIANT</i>	<p><i>Please see BDOI's Annual Report for the profile of BDOI's independent director.</i></p> <p><a href="https://www.bdo.com.ph/content/dam/bdounibank/en-ph/mcg-digital-marketing/bdo-insurance/bdo-insure-non-life/corporate-profile/corporate-governance/2023-acgr-supporting-docs/BDO-Insure-Annual-Report-2023.pdf">https://www.bdo.com.ph/content/dam/bdounibank/en-ph/mcg-digital-marketing/bdo-insurance/bdo-insure-non-life/corporate-profile/corporate-governance/2023-acgr-supporting-docs/BDO-Insure-Annual-Report-2023.pdf</a></p>	

Recommendation 5.3	COMPLIANT/ NON-COMPLIANT	ADDITIONAL INFORMATION	EXPLANATION
<p>1. The independent directors serve for a maximum cumulative term of nine years.</p> <p>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.</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><i>COMPLIANT</i></p>	<p><i>BDOl's Independent Director, Atty. Luis Ma. Uranza was elected as such on BDOl's 2023 Annual Stockholders' Meeting held last April 13, 2023.</i></p> <p><i>Please see Summary of 2023 BDOl Board Meetings.</i></p> <p><i><a href="https://www.bdo.com.ph/content/dam/bdounibank/en-ph/mcg-digital-marketing/bdo-insurance/bdo-insure-non-life/corporate-profile/corporate-governance/2023-acgr-supporting-docs/2023-Other-Supporting-Documents.pdf">https://www.bdo.com.ph/content/dam/bdounibank/en-ph/mcg-digital-marketing/bdo-insurance/bdo-insure-non-life/corporate-profile/corporate-governance/2023-acgr-supporting-docs/2023-Other-Supporting-Documents.pdf</a></i></p> <p><i>Revised BDOl Corporate Governance Manual provides for BDOl's policy on Term Limits under Section 5 – Reinforcing Board Independence.</i></p> <p><i><a href="https://www.bdo.com.ph/">https://www.bdo.com.ph/</a></i></p>	

		<a href="#"><u>content/dam/bdounibank/en-ph/mcg-digital-marketing/bdo-insurance/bdo-insure-non-life/corporate-profile/corporate-governance/2023-acgr-supporting-docs/BDOI-Revised-Corporate-Governance-Manual_BDO-2023.pdf</u></a>	
2. The company bars an independent director from serving in such capacity after the term limit of nine years.	<i>COMPLIANT</i>	<p><i>BDOI's policy on term limit of independent directors under Section 5 bars an independent director from serving in such capacity after the term limit of nine years.</i></p> <p><a href="#"><u>https://www.bdo.com.ph/content/dam/bdounibank/en-ph/mcg-digital-marketing/bdo-insurance/bdo-insure-non-life/corporate-profile/corporate-governance/2023-acgr-supporting-docs/BDOI-Revised-Corporate-Governance-Manual_BDO-2023.pdf</u></a></p>	
3. In the instance that the company retains an independent director in the same capacity after nine years, the board submits	<i>COMPLIANT</i>	<i>Revised BDOI Corporate Governance Manual provides under the policy on term limits that, if the Company desires to continue the services of an</i>	

to the Insurance Commission a formal written justification and seek shareholder' approval during the annual shareholders' meeting.		<p><i>Independent Director who had already served his/her maximum term limit, said Independent Director, as an exception, may still continue to act as such provided that the Board submits to the Insurance Commission a formal written justification and must, in addition thereto, acquire the parent company's approval during its annual meeting.</i></p> <p><a href="https://www.bdo.com.ph/content/dam/bdounibank/en-ph/mcg-digital-marketing/bdo-insurance/bdo-insure-non-life/corporate-profile/corporate-governance/2023-acgr-supporting-docs/BDOL- Revised-Corporate-Governance-Manual_BDO-2023.pdf">https://www.bdo.com.ph/content/dam/bdounibank/en-ph/mcg-digital-marketing/bdo-insurance/bdo-insure-non-life/corporate-profile/corporate-governance/2023-acgr-supporting-docs/BDOL- Revised-Corporate-Governance-Manual_BDO-2023.pdf</a></p>	
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Recommendation 5.4	COMPLIANT/ NON-COMPLIANT	ADDITIONAL INFORMATION	EXPLANATION
1. The positions of Chairman of the Board and Chief Executive Officer are held by separate individuals.	<i>COMPLIANT</i>	<p><i>Mr. Lazaro Jerome C. Guevarra is currently the Chairman of the Board while Ms. Maria Theresa L. Tan is currently the President/Chief</i></p>	

		<p><i>Executive Officer of BDOI.</i></p> <p><a href="https://www.bdo.com.ph/content/dam/bdounibank/en-ph/mcg-digital-marketing/bdo-insurance/bdo-insure-non-life/corporate-profile/corporate-governance/2023-acgr-supporting-docs/2023-Other-Supporting-Documents.pdf">https://www.bdo.com.ph/content/dam/bdounibank/en-ph/mcg-digital-marketing/bdo-insurance/bdo-insure-non-life/corporate-profile/corporate-governance/2023-acgr-supporting-docs/2023-Other-Supporting-Documents.pdf</a></p>	
2. The Chairman of the Board and Chief Executive Officer have clearly defined responsibilities.	<i>COMPLIANT</i>	<p><i>See Page 15 of the Revised BDOI Corporate Governance Manual, for the role of the Board Chairperson.</i></p> <p><a href="https://www.bdo.com.ph/content/dam/bdounibank/en-ph/mcg-digital-marketing/bdo-insurance/bdo-insure-non-life/corporate-profile/corporate-governance/2023-acgr-supporting-docs/BDOI-Revised-Corporate-Governance-Manual_BDO-2023.pdf">https://www.bdo.com.ph/content/dam/bdounibank/en-ph/mcg-digital-marketing/bdo-insurance/bdo-insure-non-life/corporate-profile/corporate-governance/2023-acgr-supporting-docs/BDOI-Revised-Corporate-Governance-Manual_BDO-2023.pdf</a></p>	

Recommendation 5.5	COMPLIANT/ NON-COMPLIANT	ADDITIONAL INFORMATION	EXPLANATION
1. If the Chairman of the Board is not an independent director or where the roles of	<i>NOT APPLICABLE</i>		<i>As intimated above, the roles of Chairman and CEO are being held by two different persons.</i>



Chairman and CEO are being held by one person, the Board should designate a lead director among the independent directors.			.
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Recommendation 5.6	COMPLIANT/ NON-COMPLIANT	ADDITIONAL INFORMATION	EXPLANATION
1. Directors with material interest in a transaction affecting the corporation should abstain from taking part in the deliberations for the same.	<i>COMPLIANT</i>	<p><i>The Revised BDOI Corporate Governance Manual provides a policy on related party transactions which requires that any member of the RPT Committee who has a potential interest in any related party transaction shall abstain from the discussion and endorsement of the related party transaction and any member of the Board who has an interest in the transaction must abstain from the deliberation and approval of any related party transaction. See Page 8 of the Revised BDOI Corporate Governance Manual.</i></p> <p><a href="https://www.bdo.com.ph/content/dam/bdounibank/en-">https://www.bdo.com.ph/content/dam/bdounibank/en-</a></p>	

		<a href="https://www.bdo.com.ph/mcg-digital-marketing/bdo-insurance/bdo-insure-non-life/corporate-profile/corporate-governance/2023-acgr-supporting-docs/BDOI-Revised-Corporate-Governance-Manual_BDO-2023.pdf">ph/mcg-digital-marketing/bdo-insurance/bdo-insure-non-life/corporate-profile/corporate-governance/2023-acgr-supporting-docs/BDOI-Revised-Corporate-Governance-Manual_BDO-2023.pdf</a>	
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Recommendation 5.7	COMPLIANT/ NON-COMPLIANT	ADDITIONAL INFORMATION	EXPLANATION
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 place within the corporation.	<i>COMPLIANT</i>	<p><i>To ensure that proper checks and balances are in place within the corporation, Page 10 of the Revised BDOI Corporate Governance Manual provides that the non-executive directors, led by the independent director, shall meet annually without the chairman's presence to appraise the performance and on other such occasions deemed appropriate.</i></p> <p><a href="https://www.bdo.com.ph/content/dam/bdounibank/en-ph/mcg-digital-marketing/bdo-insurance/bdo-insure-non-life/corporate-profile/corporate-governance/2023-acgr-supporting-docs/BDOI-Revised-Corporate-Governance-Manual_BDO-2023.pdf">https://www.bdo.com.ph/content/dam/bdounibank/en-ph/mcg-digital-marketing/bdo-insurance/bdo-insure-non-life/corporate-profile/corporate-governance/2023-acgr-supporting-docs/BDOI-Revised-Corporate-Governance-Manual_BDO-2023.pdf</a></p>	

		<a href="#"><u>governance/2023-acgr-supporting-docs/BDOI-Revised-Corporate-Governance-Manual_BDO-2023.pdf</u></a>	
2. The meetings are chaired by the lead independent director.	COMPLIANT	<p><i>As provided in page 16 of the Revised BDOI Corporate Governance Manual, the non-executive members of the Board will meet at least twice a year or as needed in executive session with the external auditor and heads of the internal audit, compliance and risk management functions other than in meetings of the audit and risk oversight committees without the presence of senior management. The meeting is chaired by the Lead Independent Director.</i></p> <p><i>Kindly note that as of date of submission, BDOI has one Independent Director, and he chairs the meeting of non-executive members as provided under this section.</i></p>	

**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	COMPLIANT/ NON-COMPLIANT	ADDITIONAL INFORMATION	EXPLANATION
1. The Board conducts an annual assessment of its performance as a whole.	<i>COMPLIANT</i>	<p><i>The Board recognizes the importance and benefits of conducting annual self-assessment to determine its effectiveness. The Board shall undertake the evaluation of its performance as a collective body including the performance of the Chairperson to determine whether they are functioning effectively, pinpoint areas for improvement and assess whether it possesses the right mix of backgrounds and competencies.</i></p> <p><a href="https://www.bdo.com.ph/content/dam/bdounibank/en-ph/mcg-digital-marketing/bdo-insurance/bdo-insure-non-life/corporate-profile/corporate-governance/2023-acgr-supporting-docs/BDOI-Revised-Corporate-Governance-Manual_BDO-2023.pdf">https://www.bdo.com.ph/content/dam/bdounibank/en-ph/mcg-digital-marketing/bdo-insurance/bdo-insure-non-life/corporate-profile/corporate-governance/2023-acgr-supporting-docs/BDOI-Revised-Corporate-Governance-Manual_BDO-2023.pdf</a></p>	

2. The performance of the Chairman is assessed annually by the Board.	<i>COMPLIANT</i>	<p><i>The Board undertakes the evaluation of its performance as a collective body including the performance of the Chairperson to determine whether they are functioning effectively, pinpoint areas for improvement and assess whether it possesses the right mix of backgrounds and competencies.</i></p> <p><a href="https://www.bdo.com.ph/content/dam/bdounibank/en-ph/mcg-digital-marketing/bdo-insurance/bdo-insure-non-life/corporate-profile/corporate-governance/2023-acgr-supporting-docs/BDOI-Revised-Corporate-Governance-Manual_BDO-2023.pdf">https://www.bdo.com.ph/content/dam/bdounibank/en-ph/mcg-digital-marketing/bdo-insurance/bdo-insure-non-life/corporate-profile/corporate-governance/2023-acgr-supporting-docs/BDOI-Revised-Corporate-Governance-Manual_BDO-2023.pdf</a></p>	
3. The performance of the individual member of the Board is assessed annually by the Board.	<i>COMPLIANT</i>	<i>As above.</i>	
4. The performance of each committee is assessed annually by the Board.	<i>COMPLIANT</i>	<i>Part of the Board Effectiveness Evaluation is the Board's assessment on their performance when sitting as a particular committee (i.e. RPT)</i>	
5. Every three years, the	<i>NOT APPLICABLE</i>		<i>BDOI started its Board</i>

assessments are supported by an external facilitator.			<p><i>Effectiveness Evaluation in 2021, as part of its commitment in the 2020 ACGR.</i></p> <p><i>BDOI shall include the Board Effectiveness Evaluation as part of the services to be provided by an external facilitator, pursuant to Section 6 of BDOI's Revised Corporate Governance Manual.</i></p>
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Recommendation 6.2	COMPLIANT/ NON-COMPLIANT	ADDITIONAL INFORMATION	EXPLANATION
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.	<i>COMPLIANT</i>		
2. The system allows for a feedback mechanism from the shareholders.	<i>COMPLIANT</i>		

**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	COMPLIANT/ NON-COMPLIANT	ADDITIONAL INFORMATION	EXPLANATION
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.	<i>COMPLIANT</i>	<p><i>The Company adopts BDO Group's Code of Conduct and Business Ethics which outlines the principles and policies that govern the activities of the institution and set forth the rules of conduct in the work place and the standards of behavior of its directors, officers and employees in their activities and relationship with external stakeholders. These reflect the core values the institution subscribes to and promotes.</i></p> <p><i><a href="https://www.bdo.com.ph/content/dam/bdounibank/en-ph/mcg-digital-marketing/bdo-insurance/bdo-insure-non-life/corporate-profile/corporate-governance/2023-acgr-supporting-docs/BDO-Code-of-Conduct-and-Business-Ethics.pdf">https://www.bdo.com.ph/content/dam/bdounibank/en-ph/mcg-digital-marketing/bdo-insurance/bdo-insure-non-life/corporate-profile/corporate-governance/2023-acgr-supporting-docs/BDO-Code-of-Conduct-and-Business-Ethics.pdf</a></i></p>	
2. The Code is properly disseminated to the Board,	<i>COMPLIANT</i>	<i>The Human Resources Group and the Office of the Corporate</i>	

senior management and employees.		<p><i>Secretary are responsible for overseeing the implementation of this Code across the BDO Group. For the employees, this was disseminated through the eNewsgram. All directors and employees were required to sign the Acknowledgment Receipt Form to document that they have read and understood the provisions of the Code. See page 7 of the Code – Responsibility for Implementation.</i></p> <p><a href="https://www.bdo.com.ph/content/dam/bdounibank/en-ph/mcg-digital-marketing/bdo-insurance/bdo-insure-non-life/corporate-profile/corporate-governance/2023-acgr-supporting-docs/BDO-Code-of-Conduct-and-Business-Ethics.pdf">https://www.bdo.com.ph/content/dam/bdounibank/en-ph/mcg-digital-marketing/bdo-insurance/bdo-insure-non-life/corporate-profile/corporate-governance/2023-acgr-supporting-docs/BDO-Code-of-Conduct-and-Business-Ethics.pdf</a></p>	
3. The Code is disclosed and made available to the public through the company website.	<b>COMPLIANT</b>	<p><i>The Revised Code of Business Conduct and Ethics is published in the corporate website at:</i></p> <p><a href="https://www.bdo.com.ph/content/dam/bdounibank/en-ph/mcg-digital-marketing/bdo-insurance/bdo-insure-non-life/">https://www.bdo.com.ph/content/dam/bdounibank/en-ph/mcg-digital-marketing/bdo-insurance/bdo-insure-non-life/</a></p>	



		<a href="#">corporate-profile/corporate-governance/2023-acgr-supporting-docs/BDO-Code-of-Conduct-and-Business-Ethics.pdf</a>	
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Recommendation 7.2	COMPLIANT/ NON-COMPLIANT	ADDITIONAL INFORMATION	EXPLANATION
1. Board ensures the proper and efficient implementation and monitoring of compliance with the Code of Business Conduct and Ethics.	<i>COMPLIANT</i>	<p><i>All directors and employees are required to acknowledge that they have read and understood the Code stipulating their compliance with the standards and policies set forth therein.</i></p> <p><i>The Code applies at all times to all members of the Board of Directors and BDO Unibank Group employees in their dealings with clients, business partners and service providers. See page 1 of the Code – Applicability of the Code and Commitment to the Code.</i></p> <p><a href="https://www.bdo.com.ph/content/dam/bdounibank/en-ph/mcg-digital-marketing/bdo-insurance/bdo-insure-non-life/corporate-profile/corporate-governance/2023-acgr-">https://www.bdo.com.ph/content/dam/bdounibank/en-ph/mcg-digital-marketing/bdo-insurance/bdo-insure-non-life/corporate-profile/corporate-governance/2023-acgr-</a></p>	

		<a href="#"><u>supporting-docs/BDO-Code-of-Conduct-and-Business-Ethics.pdf</u></a>	
2. Board ensures the proper and efficient implementation and monitoring of compliance with company internal policies.	<i>COMPLIANT</i>	<p><i>All directors and employees are required to fully comply with the Company's internal policies. See page 6 of the Code – Compliance with the Laws, Regulations and Internal Standards, Policies and Procedures.</i></p> <p><a href="https://www.bdo.com.ph/content/dam/bdounibank/en-ph/mcg-digital-marketing/bdo-insurance/bdo-insure-non-life/corporate-profile/corporate-governance/2023-acgr-supporting-docs/BDO-Code-of-Conduct-and-Business-Ethics.pdf"><u>https://www.bdo.com.ph/content/dam/bdounibank/en-ph/mcg-digital-marketing/bdo-insurance/bdo-insure-non-life/corporate-profile/corporate-governance/2023-acgr-supporting-docs/BDO-Code-of-Conduct-and-Business-Ethics.pdf</u></a></p>	

## Disclosure and Transparency

**Principle 8: The company should establish corporate disclosure policies and procedures that are practical and in accordance with best practices and regulatory expectations.**

Recommendation 8.1	COMPLIANT/ NON-COMPLIANT	ADDITIONAL INFORMATION	EXPLANATION
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, result and business operations.	<i>COMPLIANT</i>	<p><i>The essence of good corporate governance is transparency. BDOI Board commits at all times to meet all disclosure requirements particularly those involving material information as mandated by regulators within the prescribed period.</i></p> <p><i>Please see Revised BDOI Corporate Governance Manual for BDOI-Policy on Company Disclosure and Procedures under Section 8.</i></p> <p><a href="https://www.bdo.com.ph/content/dam/bdounibank/en-ph/mcg-digital-marketing/bdo-insurance/bdo-insure-non-life/corporate-profile/corporate-governance/2023-acgr-supporting-docs/BDOI-Revised-Corporate-Governance-Manual_BDO-2023.pdf">https://www.bdo.com.ph/content/dam/bdounibank/en-ph/mcg-digital-marketing/bdo-insurance/bdo-insure-non-life/corporate-profile/corporate-governance/2023-acgr-supporting-docs/BDOI-Revised-Corporate-Governance-Manual_BDO-2023.pdf</a></p>	

Recommendation 8.3 ( <i>sic</i> )	COMPLIANT/ NON-COMPLIANT	ADDITIONAL INFORMATION	EXPLANATION
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.	COMPLIANT	<p><i>Please see attached BDO Annual Report for material information involving individual board members.</i></p> <p><a href="https://www.bdo.com.ph/content/dam/bdounibank/en-ph/mcg-digital-marketing/bdo-insurance/bdo-insure-non-life/corporate-profile/corporate-governance/2023-acgr-supporting-docs/BDO-Insure-Annual-Report-2023.pdf">https://www.bdo.com.ph/content/dam/bdounibank/en-ph/mcg-digital-marketing/bdo-insurance/bdo-insure-non-life/corporate-profile/corporate-governance/2023-acgr-supporting-docs/BDO-Insure-Annual-Report-2023.pdf</a></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.	COMPLIANT	As above.	

Recommendation 8.4	COMPLIANT/ NON-COMPLIANT	ADDITIONAL INFORMATION	EXPLANATION
1. Company provides a clear disclosure of its policies and procedure for setting Board remuneration, including the level and mix of the same.	<i>COMPLIANT</i>	<p><i>Please see Page 5 of the Revised BDOI Corporate Governance Manual on Policy of Remuneration and Other Incentives of Directors and Senior Management under Section 2.2.</i></p> <p><a href="https://www.bdo.com.ph/content/dam/bdounibank/en-ph/mcg-digital-marketing/bdo-insurance/bdo-insure-non-life/corporate-profile/corporate-governance/2023-acgr-supporting-docs/BDOI-Revised-Corporate-Governance-Manual_BDO-2023.pdf">https://www.bdo.com.ph/content/dam/bdounibank/en-ph/mcg-digital-marketing/bdo-insurance/bdo-insure-non-life/corporate-profile/corporate-governance/2023-acgr-supporting-docs/BDOI-Revised-Corporate-Governance-Manual_BDO-2023.pdf</a></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	<i>COMPLIANT</i>	<p><i>Please see Page 5 of the Revised BDOI Corporate Governance Manual on Policy of Remuneration and Other Incentives of Directors and Senior Management under Section 2.2.</i></p> <p><a href="https://www.bdo.com.ph/content/dam/bdounibank/en-">https://www.bdo.com.ph/content/dam/bdounibank/en-</a></p>	

(ACGS) and the Revised Corporation Code.		<a href="https://www.bdo.com.ph/mcg-digital-marketing/bdo-insurance/bdo-insure-non-life/corporate-profile/corporate-governance/2023-acgr-supporting-docs/BDOI-Revised-Corporate-Governance-Manual_BDO-2023.pdf">ph/mcg-digital-marketing/bdo-insurance/bdo-insure-non-life/corporate-profile/corporate-governance/2023-acgr-supporting-docs/BDOI-Revised-Corporate-Governance-Manual_BDO-2023.pdf</a>	
3. Company discloses the remuneration on an individual basis, including termination and retirement provisions.	<i>NON-COMPLIANT</i>		<i>BDOI shall await guidance from the Insurance Commission by way of a Circular Letter, with regard to the disclosure of the remuneration of directors on an individual basis.</i>

Recommendation 8.5	COMPLIANT/ NON-COMPLIANT	ADDITIONAL INFORMATION	EXPLANATION
1. Company discloses its policies governing Related Party Transactions (RPTs) and other unusual or infrequently occurring transactions.	<i>COMPLIANT</i>	<p><i>BDOI has in place policies and procedures on related party transactions established by BDO Unibank, Inc. for the BDO Group.</i></p> <p><i>See Page 8 of the Revised BDOI Corporate Governance Manual for its policy on Related Party Transactions.</i></p> <p><a href="https://www.bdo.com.ph/">https://www.bdo.com.ph/</a></p>	

		<a href="content/dam/bdounibank/en-ph/mcg-digital-marketing/bdo-insurance/bdo-insure-non-life/corporate-profile/corporate-governance/2023-acgr-supporting-docs/BDOI-Revised-Corporate-Governance-Manual_BDO-2023.pdf">content/dam/bdounibank/en-ph/mcg-digital-marketing/bdo-insurance/bdo-insure-non-life/corporate-profile/corporate-governance/2023-acgr-supporting-docs/BDOI-Revised-Corporate-Governance-Manual_BDO-2023.pdf</a>	
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.	<i>NOT APPLICABLE</i>		<i>IC CL No. 2017-29 (3.1 – 3.2) does not include Insurance Brokers in the disclosure and regulatory reporting of RPTs.</i>

Recommendation 8.7 (sic)	COMPLIANT/ NON-COMPLIANT	ADDITIONAL INFORMATION	EXPLANATION
1. Company's corporate governance policies, programs and procedures are contained in its Manual on Corporate	<i>COMPLIANT</i>	<i>Please see the Revised BDOI Corporate Governance Manual for the comprehensive company corporate governance policies in compliance with the</i>	

Governance (MCG).		<p><i>regulations of the Insurance Commission.</i></p> <p><a href="https://www.bdo.com.ph/content/dam/bdounibank/en-ph/mcg-digital-marketing/bdo-insurance/bdo-insure-non-life/corporate-profile/corporate-governance/2023-acgr-supporting-docs/BDOL-Revised-Corporate-Governance-Manual_BDO-2023.pdf">https://www.bdo.com.ph/content/dam/bdounibank/en-ph/mcg-digital-marketing/bdo-insurance/bdo-insure-non-life/corporate-profile/corporate-governance/2023-acgr-supporting-docs/BDOL-Revised-Corporate-Governance-Manual_BDO-2023.pdf</a></p>	
2. Company's MCG is posted on its company website.	<i>COMPLIANT</i>	<p><i>Yes. BDOI's Manual on Corporate Governance is posted on the company website and accessible at this link:</i></p> <p><a href="https://www.bdo.com.ph/content/dam/bdounibank/en-ph/mcg-digital-marketing/bdo-insurance/bdo-insure-non-life/corporate-profile/corporate-governance/2023-acgr-supporting-docs/BDOL-Revised-Corporate-Governance-Manual_BDO-2023.pdf">https://www.bdo.com.ph/content/dam/bdounibank/en-ph/mcg-digital-marketing/bdo-insurance/bdo-insure-non-life/corporate-profile/corporate-governance/2023-acgr-supporting-docs/BDOL-Revised-Corporate-Governance-Manual_BDO-2023.pdf</a></p>	



**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	COMPLIANT/ NON-COMPLIANT	ADDITIONAL INFORMATION	EXPLANATION
1. Audit Committee has a robust process for approving and recommending the appointment, reappointment, removal, and fees of the external auditors.	<i>COMPLIANT</i>	<i>BDOI Board in carrying out the function of the Audit Committee approves and recommends the appointment, reappointment, removal and fees of the external auditors.</i>	
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.	<i>COMPLIANT</i>	<i>BDOI Board in carrying out the function of the Audit Committee approves the appointment, reappointment, removal and fees of the company's external auditor.</i>  <i>Please see Minutes of 2023 Annual Stockholders' Meeting.</i>  <a href="https://www.bdo.com.ph/sites/default/files/pdf/BDO-Insurance-Brokers-Minutes-of-2023-Annual-Stockholders-Meeting.pdf">https://www.bdo.com.ph/sites/default/files/pdf/BDO-Insurance-Brokers-Minutes-of-2023-Annual-Stockholders-Meeting.pdf</a>	
3. For removal of the external auditor, the	<i>COMPLIANT</i>	<i>No External Auditor removal or change has occurred in 2023.</i>	

reasons for removal or change are disclosed to the regulators and the public through the company website and required disclosure.			
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Recommendation 9.2	COMPLIANT/ NON-COMPLIANT	ADDITIONAL INFORMATION	EXPLANATION
<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;</p> <p>III. Exercising effective oversight to review and monitor the effectiveness of the audit process, taking into consideration</p>	<i>NOT APPLICABLE</i>		<i>BDOI Board carries out the functions of Audit Committee.</i>

relevant Philippine 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.	<i>NOT APPLICABLE</i>		<i>As above.</i>

Recommendation 9.3	COMPLIANT/ NON-COMPLIANT	ADDITIONAL INFORMATION	EXPLANATION
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.	<i>COMPLIANT</i>	<i>There were no non-audit services performed by Punongbayan &amp; Araullo.</i>	
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	<i>COMPLIANT</i>	<i>To avoid conflict of interest and impairment of independence, the parent bank's Board Audit Committee has in place the list of non-audit services, which may not be provided by the External Auditor.</i>	

auditor's objectivity.			
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**Principle 10: The company should ensure that the material and reportable non-financial and sustainability issues are disclosed.**

Recommendation 10.1	COMPLIANT/ NON-COMPLIANT	ADDITIONAL INFORMATION	EXPLANATION
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.	<i>COMPLIANT</i>	<p><i>Please see Page 23 of the Revised BDOI Corporate Governance Manual on BDO Group's Environmental Initiatives under Section 14.</i></p> <p><a href="https://www.bdo.com.ph/content/dam/bdounibank/en-ph/mcg-digital-marketing/bdo-insurance/bdo-insure-non-life/corporate-profile/corporate-governance/2023-acgr-supporting-docs/BDOI-Revised-Corporate-Governance-Manual_BDO-2023.pdf">https://www.bdo.com.ph/content/dam/bdounibank/en-ph/mcg-digital-marketing/bdo-insurance/bdo-insure-non-life/corporate-profile/corporate-governance/2023-acgr-supporting-docs/BDOI-Revised-Corporate-Governance-Manual_BDO-2023.pdf</a></p>	
2. Company adopts a globally recognized standard/framework in reporting sustainability and non-financial issues.	<i>COMPLIANT</i>	<p><i>Please see link below on BDO Group's Sustainability Group:</i></p> <p><a href="https://www.bdo.com.ph/content/dam/bdounibank/en-ph/mcg-digital-marketing/bdo-insurance/bdo-insure-non-life/">https://www.bdo.com.ph/content/dam/bdounibank/en-ph/mcg-digital-marketing/bdo-insurance/bdo-insure-non-life/</a></p>	

		<a href="#"><u>corporate-profile/corporate-governance/2023-acgr-supporting-docs/BDO-2023-Sustainability-Report.pdf</u></a>	
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**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	COMPLIANT/ NON-COMPLIANT	ADDITIONAL INFORMATION	EXPLANATION
1. The company should have a website to ensure a comprehensive, cost-efficient, transparent, and timely manner of disseminating relevant information to the public.	<i>COMPLIANT</i>	<i>Please see link below for BDO's website:</i>  <a href="https://www.bdo.com.ph/bdo-insure"><u>https://www.bdo.com.ph/bdo-insure</u></a>	

## **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	COMPLIANT/ NON-COMPLIANT	ADDITIONAL INFORMATION	EXPLANATION
1. Company has an adequate and effective internal control system in the conduct of its	<i>COMPLIANT</i>	<i>The BDO Group's internal audit function adheres to the International Standard for the Professional Practice of</i>	

business.		<p><i>Internal Auditing (ISPPIA) set forth by the Institute of Internal Auditors (IIA), the Internal Auditing definition and the IIA Code of Conduct. It observes the COSO integrated Internal Control Framework.</i></p> <p><i>Please see Revised BDOI Corporate Governance Manual for the Internal Controls System and Enterprise Risk Management Framework under Section 11.</i></p> <p><a href="https://www.bdo.com.ph/content/dam/bdounibank/en-ph/mcg-digital-marketing/bdo-insurance/bdo-insure-non-life/corporate-profile/corporate-governance/2023-acgr-supporting-docs/BDOI-Revised-Corporate-Governance-Manual_BDO-2023.pdf">https://www.bdo.com.ph/content/dam/bdounibank/en-ph/mcg-digital-marketing/bdo-insurance/bdo-insure-non-life/corporate-profile/corporate-governance/2023-acgr-supporting-docs/BDOI-Revised-Corporate-Governance-Manual_BDO-2023.pdf</a></p>	
2. Company has an adequate and effective enterprise risk management framework in the conduct of its business.	COMPLIANT	<p><i>Yes. Please see Revised BDOI Corporate Governance Manual for the Internal Controls System and Enterprise Risk Management Framework under Section 11.</i></p> <p><a href="https://www.bdo.com.ph/">https://www.bdo.com.ph/</a></p>	

		<a href="content/dam/bdounibank/en-ph/mcg-digital-marketing/bdo-insurance/bdo-insure-non-life/corporate-profile/corporate-governance/2023-acgr-supporting-docs/BDOI-Revised-Corporate-Governance-Manual_BDO-2023.pdf">content/dam/bdounibank/en-ph/mcg-digital-marketing/bdo-insurance/bdo-insure-non-life/corporate-profile/corporate-governance/2023-acgr-supporting-docs/BDOI-Revised-Corporate-Governance-Manual_BDO-2023.pdf</a>	
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Recommendation 12.2	COMPLIANT/ NON-COMPLIANT	ADDITIONAL INFORMATION	EXPLANATION
1. Company has in place an independent internal audit function that provides an independent and objective assurance, and consulting services designated to add consulting services designed to add value and improve the company's operations.	<i>COMPLIANT</i>	<i>BDOI engaged its parent company to perform internal audit services.</i>	

Recommendation 12.3	COMPLIANT/ NON-COMPLIANT	ADDITIONAL INFORMATION	EXPLANATION
1. The company has a qualified Chief Audit Executive (CAE) appointed by the Board.	<i>COMPLIANT</i>	<i>BDO Group's Chief Internal Auditor is Ms. Estrellita V. Ong.</i>  <i>Please see Internal Audit Policy Statement for the role of the</i>	

		<p><i>Internal Audit Head.</i></p> <p><a href="https://www.bdo.com.ph/content/dam/bdounibank/en-ph/mcg-digital-marketing/bdo-insurance/bdo-insure-non-life/corporate-profile/corporate-governance/2023-acgr-supporting-docs/2023-Other-Supporting-Documents.pdf">https://www.bdo.com.ph/content/dam/bdounibank/en-ph/mcg-digital-marketing/bdo-insurance/bdo-insure-non-life/corporate-profile/corporate-governance/2023-acgr-supporting-docs/2023-Other-Supporting-Documents.pdf</a></p>	
<p>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.</p>	<p><i>COMPLIANT</i></p>	<p><i>Please see page 5 of the BDO Internal Audit Policy Statement, for the responsibilities of the Internal Audit Head.</i></p> <p><a href="https://www.bdo.com.ph/content/dam/bdounibank/en-ph/mcg-digital-marketing/bdo-insurance/bdo-insure-non-life/corporate-profile/corporate-governance/2023-acgr-supporting-docs/2023-Other-Supporting-Documents.pdf">https://www.bdo.com.ph/content/dam/bdounibank/en-ph/mcg-digital-marketing/bdo-insurance/bdo-insure-non-life/corporate-profile/corporate-governance/2023-acgr-supporting-docs/2023-Other-Supporting-Documents.pdf</a></p>	
<p>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</p>	<p><i>COMPLIANT</i></p>	<p><i>BDOl's General Manager currently manages the outsourced internal audit activity.</i></p>	



activity.			
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Recommendation 12.4	COMPLIANT/ NON-COMPLIANT	ADDITIONAL INFORMATION	EXPLANATION
1. The company has a separate risk management function to identify, assess and monitor key risk exposures.	<i>COMPLIANT</i>	<p><i>BDOl's Risk Management Unit Head is Mr. Hussein Pangcoga, a full time risk officer with the position of senior assistant vice president who regularly coordinates with the Risk Management Group of the parent company in view of the latter's oversight with the risk-taking activities.</i></p> <p><i>Please see Page 19 of the Revised Corporate Governance Manual on BDOI's Independent Risk Management Function.</i></p> <p><a href="https://www.bdo.com.ph/content/dam/bdounibank/en-ph/mcg-digital-marketing/bdo-insurance/bdo-insure-non-life/corporate-profile/corporate-governance/2023-acgr-supporting-docs/BDOI-Revised-Corporate-Governance-Manual_BDO-2023.pdf">https://www.bdo.com.ph/content/dam/bdounibank/en-ph/mcg-digital-marketing/bdo-insurance/bdo-insure-non-life/corporate-profile/corporate-governance/2023-acgr-supporting-docs/BDOI-Revised-Corporate-Governance-Manual_BDO-2023.pdf</a></p>	

Recommendation 12.5	COMPLIANT/ NON-COMPLIANT	ADDITIONAL INFORMATION	EXPLANATION
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).	<i>COMPLIANT</i>	<p><i>The Chief Risk Officer of the BDO Group is Ms. Evelyn L. Villanueva.</i></p> <p><i>Please see the following link for her qualification and background:</i></p> <p><i><a href="https://www.aem.bdo.com.ph/content/dam/support-group/office-of-the-corporate-secretary/annual-stockholders-meeting/2023/BDO_Definitive_Information_Statement_22March23.pdf?_ga=2.258657548.700589404.1684905611-714788528.1681959415">https://www.aem.bdo.com.ph/content/dam/support-group/office-of-the-corporate-secretary/annual-stockholders-meeting/2023/BDO_Definitive_Information_Statement_22March23.pdf?_ga=2.258657548.700589404.1684905611-714788528.1681959415</a></i></p>	
2. CRO has adequate authority, stature, resources and support to fulfill his/her responsibilities.	<i>COMPLIANT</i>	<i>The Chief Risk Officer has a rank of Executive Vice President. She is appointed by the parent bank's Board of Directors and reports directly to the Risk Management Committee. She is the Head of the Risk Management Group</i>	

		<i>composed of risk management professionals who are experts in their own field.</i>	
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### CULTIVATING A SYNERGIC RELATIONSHIP WITH SHAREHOLDERS

**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	COMPLIANT/ NON-COMPLIANT	ADDITIONAL INFORMATION	EXPLANATION
1. Board ensures that basic shareholder rights are disclosed in the Manual on Corporate Governance.	<i>COMPLIANT</i>	<p><i>BDOI is a wholly owned subsidiary. Its parent company complies as follows:</i></p> <p><i>See Section 12 of its Revised Corporate Governance Manual.</i></p> <p><a href="https://www.bdo.com.ph/content/dam/bdounibank/en-ph/mcg-digital-marketing/bdo-insurance/bdo-insure-non-life/corporate-profile/corporate-governance/2023-acgr-supporting-docs/BDOI-Revised-Corporate-Governance-Manual_BDO-2023.pdf">https://www.bdo.com.ph/content/dam/bdounibank/en-ph/mcg-digital-marketing/bdo-insurance/bdo-insure-non-life/corporate-profile/corporate-governance/2023-acgr-supporting-docs/BDOI-Revised-Corporate-Governance-Manual_BDO-2023.pdf</a></p>	
2. Board ensures that basic shareholder rights are disclosed on the company's website.	<i>COMPLIANT</i>	<i>As above.</i>	

Recommendation 13.2	COMPLIANT/ NON-COMPLIANT	ADDITIONAL INFORMATION	EXPLANATION
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.	<i>COMPLIANT</i>	<p><i>Please see copy of the Notice of Annual Stockholders' Meeting released by the Office of the Corporate Secretary at least 30 days before the meeting.</i></p> <p><i>Agenda does not include approval of remuneration or any changes therein.</i></p> <p><a href="https://www.bdo.com.ph/content/dam/bdounibank/en-ph/mcg-digital-marketing/bdo-insurance/bdo-insure-non-life/corporate-profile/corporate-governance/2023-acgr-supporting-docs/2023-Other-Supporting-Documents.pdf">https://www.bdo.com.ph/content/dam/bdounibank/en-ph/mcg-digital-marketing/bdo-insurance/bdo-insure-non-life/corporate-profile/corporate-governance/2023-acgr-supporting-docs/2023-Other-Supporting-Documents.pdf</a></p>	

Recommendation 13.3	COMPLIANT/ NON-COMPLIANT	ADDITIONAL INFORMATION	EXPLANATION
1. Board encourages active shareholder participation	<i>NOT APPLICABLE</i>		<i>BDOI is a single-stockholder company being</i>

by making the result of the votes taken during the most recent Annual or Special Shareholders' Meeting publicly available the next working day.			<i>a wholly-owned subsidiary of BDO Unibank.</i>
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.	<i>NOT APPLICABLE</i>		<i>BDOI is a private company that is not subject to similar disclosure requirements as that of a publicly listed company.</i>

Recommendation 13.4	COMPLIANT/ NON-COMPLIANT	ADDITIONAL INFORMATION	EXPLANATION
1. Board has an alternate dispute mechanism to resolve intra-corporate disputes in an amicable and effective manner.	<i>COMPLIANT</i>	<i>BDOI is a wholly owned subsidiary of BDO Unibank. Its parent company has an alternative dispute mechanism to resolve intra-corporate disputes in an amicable and effective manner.</i>	
2. The alternative dispute mechanism is included in the company's Manual on Corporate Governance.	<i>COMPLIANT</i>	<i>Since BDOI is a wholly owned subsidiary of BDO Unibank, its parent company, the alternative dispute mechanism is included in BDO Unibank's Manual on Corporate Governance.</i>	

		<p>See Annex C - Alternative Dispute Resolution (ADR) of the Revised Manual of Corporate Governance for the complete details of the ADR.</p> <p><a href="https://www.bdo.com.ph/content/dam/bdounibank/en-ph/about-bdo/corporate-governance/governance-manual/BDO-Unibank-Inc-Corporate-Governance-Manual-2022.pdf">https://www.bdo.com.ph/content/dam/bdounibank/en-ph/about-bdo/corporate-governance/governance-manual/BDO-Unibank-Inc-Corporate-Governance-Manual-2022.pdf</a></p>	
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## DUTIES TO STAKEHOLDERS

**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	COMPLIANT/ NON-COMPLIANT	ADDITIONAL INFORMATION	EXPLANATION
1. Board identifies the company's various stakeholders and promotes cooperation between them and the company in creating wealth, growth and sustainability.	<i>COMPLIANT</i>	<i>BDO's stakeholders are its parent company, customers, employees, creditors, suppliers, service providers, counterparties, government, regulators, competitors, and communities in which the Company operates.</i>	

		<p><i>Please see Page 20 of Revised BDOI Corporate Governance Manual for the Policy on Respecting Rights of Stakeholders under Section 12.</i></p> <p><a href="https://www.bdo.com.ph/content/dam/bdounibank/en-ph/mcg-digital-marketing/bdo-insurance/bdo-insure-non-life/corporate-profile/corporate-governance/2023-acgr-supporting-docs/BDOI-Revised-Corporate-Governance-Manual_BDO-2023.pdf">https://www.bdo.com.ph/content/dam/bdounibank/en-ph/mcg-digital-marketing/bdo-insurance/bdo-insure-non-life/corporate-profile/corporate-governance/2023-acgr-supporting-docs/BDOI-Revised-Corporate-Governance-Manual_BDO-2023.pdf</a></p>	
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Recommendation 14.2	COMPLIANT/ NON-COMPLIANT	ADDITIONAL INFORMATION	EXPLANATION
1. Board establishes clear policies and programs to provide a mechanism on the fair treatment and protection of stakeholders.	<i>COMPLIANT</i>	<p><i>Please see Page 20 of Revised BDOI Corporate Governance Manual for the Policy on Respecting Rights of Stakeholders under Section 12.</i></p> <p><a href="https://www.bdo.com.ph/content/dam/bdounibank/en-ph/mcg-digital-marketing/bdo-insurance/bdo-insure-non-life/corporate-profile/corporate-governance/2023-acgr-supporting-docs/BDOI-">https://www.bdo.com.ph/content/dam/bdounibank/en-ph/mcg-digital-marketing/bdo-insurance/bdo-insure-non-life/corporate-profile/corporate-governance/2023-acgr-supporting-docs/BDOI-</a></p>	

		<a href="#"><u>Revised-Corporate-Governance-Manual_BDO-2023.pdf</u></a>	
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Recommendation 14.3	COMPLIANT/ NON-COMPLIANT	ADDITIONAL INFORMATION	EXPLANATION
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.	<i>COMPLIANT</i>	<p><i>The BDO Group employs a multi-pronged communications strategy handled by specific units to promote transparency and actively engage with its various stakeholders, as well as increase awareness and visibility about the BDO Group.</i></p> <p><i>Communication with the core audience is handled by the following: Investor Relations and Corporate Planning (IR and Corplan) for institutional investors, analysts, credit rating agencies, and other external stakeholders; the Corporate Secretary's office (CorSec) for retail investors and other shareholders; and both IR and CorSec for the Board members and Senior Management. Also, communications requiring media involvement are done in conjunction with the parent</i></p>	



		<p><i>Bank's Corporate Communications Group.</i></p> <p><i>Please see Page 20 of Revised BDOI Corporate Governance Manual for the Policy on Respecting Rights of Stakeholders under Section 12.</i></p> <p><a href="https://www.bdo.com.ph/content/dam/bdounibank/en-ph/mcg-digital-marketing/bdo-insurance/bdo-insure-non-life/corporate-profile/corporate-governance/2023-acgr-supporting-docs/BDOI-Revised-Corporate-Governance-Manual_BDO-2023.pdf">https://www.bdo.com.ph/content/dam/bdounibank/en-ph/mcg-digital-marketing/bdo-insurance/bdo-insure-non-life/corporate-profile/corporate-governance/2023-acgr-supporting-docs/BDOI-Revised-Corporate-Governance-Manual_BDO-2023.pdf</a></p>	
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**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	COMPLIANT/ NON-COMPLIANT	ADDITIONAL INFORMATION	EXPLANATION
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.	<i>COMPLIANT</i>	<p><i>Please see Page 22 of the Revised BDOI Corporate Governance Manual for the company policy on Encouraging Employees' Participation.</i></p>	

		<a href="https://www.bdo.com.ph/content/dam/bdounibank/en-ph/mcg-digital-marketing/bdo-insurance/bdo-insure-non-life/corporate-profile/corporate-governance/2023-acgr-supporting-docs/BDOI-Revised-Corporate-Governance-Manual_BDO-2023.pdf">https://www.bdo.com.ph/content/dam/bdounibank/en-ph/mcg-digital-marketing/bdo-insurance/bdo-insure-non-life/corporate-profile/corporate-governance/2023-acgr-supporting-docs/BDOI-Revised-Corporate-Governance-Manual_BDO-2023.pdf</a>	
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Recommendation 15.2	COMPLIANT/ NON-COMPLIANT	ADDITIONAL INFORMATION	EXPLANATION
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.	<i>COMPLIANT</i>	<p><i>This is embodied in the Revised Code of Conduct and Business Ethics on Conduct Relating to Customers and External Constituencies.</i></p> <p><a href="https://www.bdo.com.ph/content/dam/bdounibank/en-ph/mcg-digital-marketing/bdo-insurance/bdo-insure-non-life/corporate-profile/corporate-governance/2023-acgr-supporting-docs/BDO-Code-of-Conduct-and-Business-Ethics.pdf">https://www.bdo.com.ph/content/dam/bdounibank/en-ph/mcg-digital-marketing/bdo-insurance/bdo-insure-non-life/corporate-profile/corporate-governance/2023-acgr-supporting-docs/BDO-Code-of-Conduct-and-Business-Ethics.pdf</a></p>	
2. Board disseminates the policy and program to employees across the	<i>COMPLIANT</i>	<i>The Revised Code of Conduct and Business Ethics is published in the parent Bank's</i>	

organization through trainings to embed them in the company's culture.		<i>website and intranet to be accessible to all covered individuals. The implementation of the Code was announced bank-wide in the e-Newsgram.</i>	
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Recommendation 15.3	COMPLIANT/ NON-COMPLIANT	ADDITIONAL INFORMATION	EXPLANATION
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.	<i>COMPLIANT</i>	<p><i>BDO Group maintains a Whistle Blower Policy that is accessible to all employees of the Group. Please see Page 23 of the Revised Corporate Governance Manual.</i></p> <p><i><a href="https://www.bdo.com.ph/content/dam/bdounibank/en-ph/mcg-digital-marketing/bdo-insurance/bdo-insure-non-life/corporate-profile/corporate-governance/2023-acgr-supporting-docs/BDOI-Revised-Corporate-Governance-Manual_BDO-2023.pdf">https://www.bdo.com.ph/content/dam/bdounibank/en-ph/mcg-digital-marketing/bdo-insurance/bdo-insure-non-life/corporate-profile/corporate-governance/2023-acgr-supporting-docs/BDOI-Revised-Corporate-Governance-Manual_BDO-2023.pdf</a></i></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	<i>COMPLIANT</i>	<i>Reporting may be done thru any available means such as but not limited to SMS text (e.g. BDO Watch), letter, email or phone call directly to the Office of the President (OP) or the</i>	

unit created to handle whistleblowing concerns.		<i>appropriate Head of the Unit concerned. For concerns directly involving the President and the other Executive Directors, the report should be addressed to the Board of Directors thru the Office of the Chairperson. For RPT-related concerns, the report should be addressed to the Chairman of the Related Party Transactions Committee.</i>	
3. Board supervises and ensures the enforcement of the whistleblowing framework.	<i>COMPLIANT</i>	<i>This is delegated to the Legal and Compliance Unit of the parent Bank that is responsible for overseeing the implementation of this policy and compliance across the BDO Unibank Group. The Head of the Cases Review Committee Secretariat will submit a monthly report to the Chief Compliance Officer, Cases Review Committee and the Audit Committee covering the number of reports received, actions taken and its latest status. The Audit Committee, at its discretion, may periodically report the whistle blower cases to the Board of Directors.</i>	

**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.**

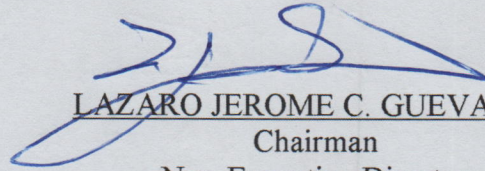
Recommendation 16.1	COMPLIANT/ NON-COMPLIANT	ADDITIONAL INFORMATION	EXPLANATION
1. Company recognizes and places importance on the interdependence between business and society, and promotes a mutually beneficial relationship that allows the company to grow its business, while contributing to the advancement of the society where it operates.	<i>COMPLIANT</i>	<p><i>See Page 23 of the Revised BDOI Corporate Governance Manual for the company policy on Encouraging Sustainability and Social Responsibility under Section 14.</i></p> <p><a href="https://www.bdo.com.ph/content/dam/bdounibank/en-ph/mcg-digital-marketing/bdo-insurance/bdo-insure-non-life/corporate-profile/corporate-governance/2023-acgr-supporting-docs/BDOI-Revised-Corporate-Governance-Manual_BDO-2023.pdf">https://www.bdo.com.ph/content/dam/bdounibank/en-ph/mcg-digital-marketing/bdo-insurance/bdo-insure-non-life/corporate-profile/corporate-governance/2023-acgr-supporting-docs/BDOI-Revised-Corporate-Governance-Manual_BDO-2023.pdf</a></p>	



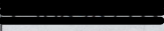

## CERTIFICATION

The undersigned officers of BDO Insurance Brokers, Inc. certify that the responses and explanations set forth in the attached Corporate Governance Report are true, complete and correct of our own personal knowledge and/or based on authentic records.

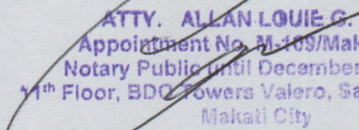
Signed in the City of Mandaluyong on the 22 of MAY 2024 2024.

  
**LAZARO JEROME C. GUEVARRA**  
Chairman  
Non-Executive Director

**SUBSCRIBED AND SWORN** to before me this 22 MAY 2024, 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
LAZARO JEROME C. GUEVARRA		

Doc. No. 134 ;  
Page No. 28 ;  
Book No. XXX ;  
Series of 2024.

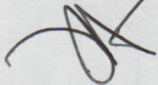
  
**ATTY. ALLAN LOUIE G. RICC**  
Appointment No. M-169/Makati City  
Notary Public until December 31, 2025  
11<sup>th</sup> Floor, BDO Towers Valero, Salcedo Village  
Makati City  
IBP No. 391300 / 01/03/24/ MANILA 3  
PTR No. 10075840; 01/03/24; Makati City/ Roll No. 46038  
MCLE Compliance No. VII-0014849; until 04/14/2025



## CERTIFICATION


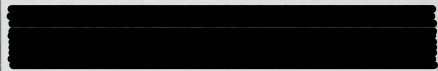
The undersigned officers of BDO Insurance Brokers, Inc. certify that the responses and explanations set forth in the attached Corporate Governance Report are true, complete and correct of our own personal knowledge and/or based on authentic records.

Signed in the City of Mandaluyong on the 22 MAY 2024 of 22 MAY 2024 2024.

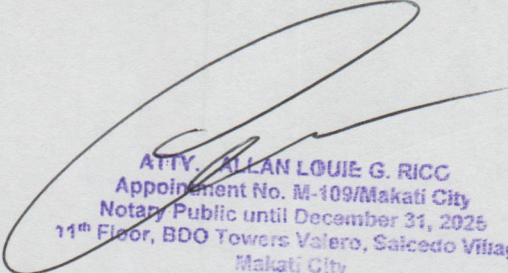
  
MARIA THERESA L. TAN

President  
Executive Director

**SUBSCRIBED AND SWORN** to before me this 22 MAY 2024, 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
MARIA THERESA L. TAN		

Doc. No. 135;  
Page No. 28;  
Book No. XXXIX;  
Series of 2024.

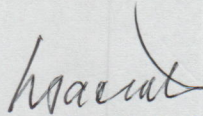
  
ATTY. ALLAN LOUIE G. RICC  
Appointment No. M-109/Makati City  
Notary Public until December 31, 2025  
11<sup>th</sup> Floor, BDO Towers Valero, Salcedo Village  
Makati City  
IBP No. 391300 / 01/03/24/ MANILA 3  
PTR No. 10075840; 01/03/24; Makati City/ Roll No. 46038  
MCLE Compliance No. VR-0014849; until 04/14/2025



## CERTIFICATION

The undersigned officers of BDO Insurance Brokers, Inc. certify that the responses and explanations set forth in the attached Corporate Governance Report are true, complete and correct of our own personal knowledge and/or based on authentic records.

Signed in the City of MAKATI CITY on the 22 MAY 2024 2024.

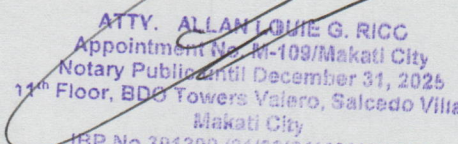


MS. HERMINIA S. JACINTO  
Independent Director

**SUBSCRIBED AND SWORN** to before me this 22 MAY 2024, 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
HERMINIA S. JACINTO	[REDACTED]	[REDACTED]

Doc. No. 136 ;  
Page No. 29 ;  
Book No. XXXIX ;  
Series of 2024.

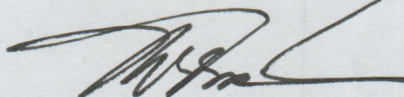
  
ATTY. ALLANTOUIE G. RICC  
Appointment No. M-109/Makati City  
Notary Public until December 31, 2025  
11<sup>th</sup> Floor, BDO Towers Valero, Salcedo Village  
Makati City  
IBP No. 391300 /01/03/24/ MANILA 3  
PTR No. 10075840; 01/03/24; Makati City/ Roll No. 46038  
MCLE Compliance No. VII-0514849; until 04/14/2025



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Signed in the City of MAKATI CITY on the 22 MAY 2024 of 22 MAY 2024 2024.

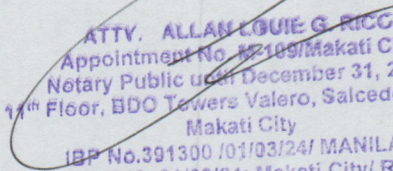


ATTY. ELMER B. SERRANO  
Corporate Secretary

**SUBSCRIBED AND SWORN** to before me this 22 MAY 2024, 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
ELMER B. SERRANO	[REDACTED]	[REDACTED]

Doc. No. 137 ;  
Page No. 29 ;  
Book No. XXXIX ;  
Series of 2024.

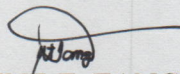
  
ATTY. ALLAN LOUIE G. RICC  
Appointment No. 127189/Makati City  
Notary Public until December 31, 2025  
14<sup>th</sup> Floor, BDO Towers Valero, Salcedo Village  
Makati City  
IBP No. 391300 / 01/03/24 / MANILA 3  
PTR No. 10075840; 01/03/24; Makati City/ Roll No. 46038  
MCLE Compliance No. VII-0014849; until 04/14/2025



## CERTIFICATION



The undersigned officers of BDO Insurance Brokers, Inc. certify that the responses and explanations set forth in the attached Corporate Governance Report are true, complete and correct of our own personal knowledge and/or based on authentic records.

Signed in the City of Mandaluyong on the \_\_\_\_ of 22 MAY 2024 2024.


  
AILENE T. TANGONAN

Corporate Governance and Alternate Compliance Officer

**SUBSCRIBED AND SWORN** to before me this 22 MAY 2024, 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
AILENE T. TANGONAN		

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