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| <b>Country</b>                | Philippines   |   |                 |               |   |
| <b>Name</b>                   | BDO Insurance Brokers, Inc.   |   |                 |               |   |
| <b>StockCode</b>              |   |   |                 |               |   |
| <b>Expert Name</b>            |   |   |                 |               |   |
| <b>Sector</b>                 | Insurance Brokers   |   |                 |               |   |
| <b>Year</b>                   | 2013  |   |                 |               |   |
| <b>Date of Financial Year</b> | 31/12/2013  |   |                 |               |   |
|                               |   | <b>Source Document/ Location of Information</b>   | <b>Yes / No</b> | <b>Points</b> | <b>REMARKS</b>                                      |
| <b>E</b>                      | <b>Responsibilities of the Board</b>  |   |                 |               |   |
| E.1                           | <b>Clearly defined board responsibilities and corporate governance policy</b>   |   |                 |               |   |
| E.1.1                         | Are the roles and responsibilities of the board of directors/commissioners clearly stated ?                                       | <a href="#">Corporate Governance Manual/Section II.B.1.a. Board of Directors/General Responsibility and Duties and Responsibility</a> | Y               | 1             |   |
| E.1.2                         | Are the types of decisions requiring board of directors/commissioners' approval disclosed ?                                       | <a href="#">Corporate Governance Manual/Section II.B.1.a. Board of Directors/General Responsibility and Duties and Responsibility</a> | Y               | 1             |   |
| E.1.3                         | Does the company disclose its corporate governance policy / board charter?  |   | N               | 0             |   |
| E.2                           | <b>Code of ethics or conduct</b>  |   |                 |               |   |
| E.2.1                         | Does the company have a code of ethics or conduct?  | <a href="#">Parent Company website/Code of Conduct</a>  | Y               | 1             |   |
| E.2.2                         | Are the details of the code of ethics or conduct disclosed?   | <a href="#">Parent Company website/Code of Conduct</a>  | Y               | 1             |   |
| E.2.3                         | Does the company disclose that all directors/commissioners, senior management and employees are required to comply with the code? | <a href="#">Parent Company website/Code of Conduct</a>  | Y               | 1             |   |
| E.2.4                         | Does the company disclose how it implements and monitors compliance with the code of ethics or conduct?                           | <a href="#">Parent Company website/Code of Conduct</a>  | Y               | 1             |   |
| E.3                           | <b>Corporate Vision/Mission</b>   |   |                 |               |   |
| E.3.1                         | Does the board of directors/commissioners periodically review and approve the vision and mission?                                 | <a href="#">Broking Manual - Vision and Mission</a>   | Y               | 1             | Regularly reviewed but makes change ony when needed |
| E.4                           | <b>Board Structure &amp; Composition</b>  |   |                 |               |   |

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| E.4.1 | Does the board of directors/ commissioners comprise at least five members and no more than 12 members?<br>(i.e., between 5 - 12 members)              | <a href="#">General Information Sheet</a> | Y   | 1 |  |
| E.4.2 | Do independent, non-executive directors/commissioners number at least three <u>and</u> make up more than 50% of the board of directors/commissioners? |   | N/A | 0 | Not applicable, no independent director                                  |
| E.4.3 | Does the company provide a definition of independence in its Annual Report?   |   | N   | 0 |  |
| E.4.4 | Are the independent directors/commissioners independent of management and major/ substantial shareholders?  |   | N/A | 0 | Not applicable, no independent director                                  |
| E.4.5 | Does the company have a term limit of nine years or less for its independent directors/commissioners?   |   | N/A | 0 | Not applicable, no independent director                                  |
| E.4.6 | Has the company set a limit of five board seats in publicly-listed companies that an individual director/commissioner may hold simultaneously?        |   | N   | 0 | Not a Publicly Listed Company / BDOIBI is 100% owned by BDO Unibank Inc. |
| E.4.7 | <b>Does the company have any independent directors/commissioners who serve on more than five boards of publicly-listed companies?</b>                 |   | N   | 1 | Not a Publicly Listed Company / BDOIBI is 100% owned by BDO Unibank Inc. |
| E.4.8 | <b>Does the company have any executive directors who serve on more than two boards of listed companies outside of the group?</b>                      |   | N/A | 0 | Not a Publicly Listed Company / BDOIBI is 100% owned by BDO Unibank Inc. |
| E.5   | <b>Skills and Competencies</b>  |   |     |   |  |
| E.5.1 | Does at least one non-executive director/commissioner have prior working experience in the major industry the company is operating in?                |   | N   | 0 |  |
| E.5.2 | Does the company disclose a board of directors/commissioners diversity policy?  |   | N   | 0 |  |
| E.6   | <b>Board Chairman</b>   |   |     |   |  |
| E.6.1 | Do different persons assume the roles of chairman and CEO?  |   | N   | 0 |  |

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| E.6.2 | Is the chairman a non-executive director/commissioner?   |  | N | 0 |  |
| E.6.3 | Is the chairman an independent director/commissioner?  |  | N | 0 |  |
| E.6.4 | Is the chairman the current or immediate past CEO?   |  | Y | 0 |  |
| E.6.5 | Are the role and responsibilities of the chairman disclosed?   | <a href="#">BY-Laws/Officers/Chairman of the Board</a>   | Y | 1 |  |
| E.7   | <b>Board meetings and attendance</b>   |  |   |   |  |
| E.7.1 | Are the board of directors/commissioners meetings scheduled before or at the beginning of the year?  | <a href="#">Notice of Annual Stockholders Meeting / BY - LAWS-Notice of Meeting and Quorum</a> | Y | 1 |  |
| E.7.2 | Does the board of directors/commissioners meet at least six times per year?  | <a href="#">Secretary Certificate/Summary of the Meetings of the Board</a>                     | Y | 1 |  |
| E.7.3 | Has each of the directors/commissioners attended at least 75% of all the board meetings held during the year?                              | <a href="#">Secretary Certificate/Summary of the Meetings of the Board</a>                     | Y | 1 |  |
| E.7.4 | Does the company require a minimum quorum of at least 2/3 for board decisions?   | <a href="#">Notice of Annual Stockholders Meeting / BY - LAWS-Notice of Meeting and Quorum</a> | Y | 1 |  |
| E.7.5 | Did the non-executive directors/commissioners of the company meet separately at least once during the year without any executives present? |  | N | 0 |  |
| E.8   | <b>Orientation Programme for New Directors</b>   |  |   |   |  |
| E.8.1 | Does the company have orientation programmes for new directors/commissioners?  | <a href="#">BDO Unibank, Inc. Annual Report(Parent Company)/Corporate Governance/Employees</a> | Y | 1 |  |
| E.9   | <b>Director Training</b>   |  |   |   |  |
| E.9.1 | Does the company have a policy that encourages directors/commissioners to attend on-going or continuous professional education programmes? | <a href="#">BDO Unibank, Inc. Annual Report(Parent Company)/Corporate Governance/Employees</a> | Y | 1 |  |

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| E.10   | <b>Access to information</b>  |   |     |   |  |
| E.10.1 | Are board papers for board of directors/commissioners meetings provided to the board at least five business days in advance of the board meeting? |   | N   | 0 |  |
| E.10.2 | Does the company secretary play a significant role in supporting the board in discharging its responsibilities?                                   | <a href="#">BY-Laws/Officers/The Secretary</a>  | Y   | 1 |  |
| E.10.3 | Is the company secretary trained in legal, accountancy or company secretarial practices?  | <a href="#">BY-Laws/Officers/The Secretary</a>  | Y   | 1 |  |
| E.11   | <b>Nominating Committee</b>   |   |     |   |  |
| E.11.1 | Does the company have a Nominating Committee (NC)?  | <a href="#">Manual on Corporate Governance, II.B.2.d Board Committees – Nominations and Audit Committee</a> | Y   | 1 | Board assumes membership in all committee. Meetings are narrated in the minutes of the board and presented for notation/approval |
| E.11.2 | Does the Nominating Committee comprise of a majority of independent directors/commissioners?  |   | N/A | 0 | No Independent Director  |
| E.11.3 | Is the chairman of the Nominating Committee an independent director/commissioner?   |   | N/A | 0 | No Independent Director  |

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| E.11.4 | Does the company disclose the terms of reference/governance structure/charter of the Nominating Committee?   |   | N | 0 |   |
| E.11.5 | Does the Annual Report disclose the number of Nominating Committee meetings held?  |   | N | 0 |   |
| E.11.6 | Did the Nominating Committee meet at least twice during the year?  |   | N | 0 |   |
| E.11.7 | Is the attendance of members at Nominating Committee meetings disclosed?   |   | N | 0 |   |
| E.12   | <b>Board Appointments and Re-Election</b>  |   |   |   |   |
| E.12.1 | Does the company disclose the <u>criteria used in selecting</u> new directors/commissioners?   |   | N | 0 |   |
| E.12.2 | Does the company disclose the <u>process followed in appointing</u> new directors/commissioners?   | <a href="#">BY-Laws/Board of Directors/Vacancies</a>          | Y | 1 |   |
| E.12.3 | Are all the directors/commissioners subject to re-election at least once every three years?  |   | N | 0 |   |
| E.13   | <b>CEO/Executive Management Appointments and Performance</b>   |   |   |   |   |
| E.13.1 | Does the company disclose how the board of directors/commissioners plans for the succession of the CEO/Managing Director/President and key management? | <a href="#">Management Succession Planning</a>                | Y | 1 | Covered by the Corporate Governance Committee of the Parent bank                  |
| E.13.2 | Does the board of directors/commissioners conduct an annual performance assessment of the CEO/Managing Director/President?                             | <a href="#">Board, Director, Committee, and CEO Appraisal</a> | Y | 1 | <a href="#">Covered by the Performance Appraisal conducted by the Parent Bank</a> |
| E.14   | <b>Board Appraisal</b>   |   |   |   |   |
| E.14.1 | Is an annual performance assessment conducted of the board of directors/commissioners?   | <a href="#">Board, Director, Committee, and CEO Appraisal</a> | Y | 1 | <a href="#">Covered by the Performance Appraisal conducted by the Parent Bank</a> |
| E.14.2 | Does the company disclose the process followed in conducting the board assessment?   | <a href="#">Board, Director, Committee, and CEO Appraisal</a> | Y | 1 | <a href="#">Covered by the Performance Appraisal conducted by the Parent Bank</a> |
| E.14.3 | Does the company disclose the criteria used in the board assessment?   | <a href="#">Board, Director, Committee, and CEO Appraisal</a> | Y | 1 | <a href="#">Covered by the Performance Appraisal conducted by the Parent Bank</a> |

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| E.15   | <b>Director Appraisal</b>  |   |   |   |   |
| E.15.1 | Is an annual performance assessment conducted of individual director/commissioner?                 | <a href="#">Board, Director, Committee, and CEO Appraisal</a> | Y | 1 | <a href="#">Covered by the Performance Appraisal conducted by the Parent Bank</a> |
| E.15.2 | Does the company disclose the process followed in conducting the director/commissioner assessment? | <a href="#">Board, Director, Committee, and CEO Appraisal</a> | Y | 1 | <a href="#">Covered by the Performance Appraisal conducted by the Parent Bank</a> |
| E.15.3 | Does the company disclose the criteria used in the director/commissioner assessment?               | <a href="#">Board, Director, Committee, and CEO Appraisal</a> | Y | 1 | <a href="#">Covered by the Performance Appraisal conducted by the Parent Bank</a> |
| E.16   | <b>Committee Appraisal</b>   |   |   |   |   |
| E.16.1 | Is an annual performance assessment conducted of the board of directors/commissioners committees?  | <a href="#">Board, Director, Committee, and CEO Appraisal</a> | Y | 1 | <a href="#">Covered by the Performance Appraisal conducted by the Parent Bank</a> |
| E.17   | <b>Remuneration Committee/ Compensation Committee</b>  |   |   |   |   |

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| E.17.1 | Does the company have a Remuneration Committee?  | <a href="#">Remuneration Committee</a> | Y | 1 | Covered by Parent Bank Remuneration Policy |
| E.17.2 | Does the Remuneration Committee comprise of a majority of independent directors/commissioners?                 | <a href="#">Remuneration Committee</a> | N | 0 | Covered by Parent Bank Remuneration Policy |
| E.17.3 | Is the chairman of the Remuneration Committee an independent director/commissioner?                            | <a href="#">Remuneration Committee</a> | Y | 1 | Covered by Parent Bank Remuneration Policy |
| E.17.4 | Does the company disclose the terms of reference/ governance structure/ charter of the Remuneration Committee? | <a href="#">Remuneration Matters</a>   | Y | 1 | Covered by Parent Bank Remuneration Policy |
| E.17.5 | Does the Annual Report disclose the number of Remuneration Committee meetings held?                            | <a href="#">Remuneration Committee</a> | Y | 1 | Covered by Parent Bank Remuneration Policy |
| E.17.6 | Did the Remuneration Committee meet at least twice during the year?  | <a href="#">Remuneration Committee</a> | Y | 1 | Covered by Parent Bank Remuneration Policy |
| E.17.7 | Is the attendance of members at Remuneration Committee meetings disclosed?                                     | <a href="#">Remuneration Committee</a> | Y | 1 | Covered by Parent Bank Remuneration Policy |

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| E.18   | <b>Remuneration Matters</b>  |  |     |   |  |
| E.18.1 | Does the company disclose its remuneration (fees, allowances, benefit-in-kind and other emoluments) policy (i.e. the use of short term and long term incentives and performance measures) for its executive directors and CEO? | <a href="#">Remuneration Matters</a>   | Y   | 1 | Covered by Parent Bank Remuneration Policy   |
| E.18.2 | Is there disclosure of the fee structure for non-executive directors/commissioners?  | <a href="#">Remuneration Matters</a>   | Y   | 1 | Covered by Parent Bank Remuneration Policy   |
| E.18.3 | Do the shareholders or the Board of Directors approve the remuneration of the executive directors and/or the senior executives?  | <a href="#">Remuneration Matters</a>   | Y   | 1 | Covered by Parent Bank Remuneration Policy   |
| E.18.4 | Do independent non-executive directors/commissioners receive options, performance shares or bonuses?   |  | N/A | 0 |  |
| E.19   | <b>Audit Committee</b>   |  |     |   |  |
| E.19.1 | Does the company have an Audit Committee?  | <a href="#">Manual on Corporate Governance, II.B.2.d Board Committees – Nominations and Audit Committee.</a> | Y   | 1 | Board assumes membership in all committee. Meetings are narrated in the minutes of the board and presented for notation/approval |



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| E.19.2  | Does the Audit Committee comprise entirely of non-executive directors/commissioners with a majority of independent directors/commissioners?       |  | N/A | 0 | No Independent Director   |
| E.19.3  | Is the chairman of the Audit Committee an independent director/commissioner?  |  | N/A | 0 | No Independent Director   |
| E.19.4  | Does the company disclose the terms of reference/governance structure/charter of the Audit Committee?   |  | N   | 0 |   |
| E.19.5  | Does the Annual Report disclose the profile or qualifications of the Audit Committee members?   | <a href="#">Manual on Corporate Governance, II.B.2.d Board Committees – Nominations and Audit Committee.</a> | Y   | 1 |   |
| E.19.6  | Does at least one of the independent directors/commissioners of the committee have accounting expertise (accounting qualification or experience)? |  | N/A | 0 | No Independent Director   |
| E.19.7  | Does the Annual Report disclose the number of Audit Committee meetings held?  |  | N   | 0 |   |
| E.19.8  | Did the Audit Committee meet at least four times during the year?   |  | N   | 0 |   |
| E.19.9  | Is the attendance of members at Audit Committee meetings disclosed?   |  | N   | 0 |   |
| E.19.10 | Does the Audit Committee have primary responsibility for recommendation on the appointment, re-appointment and removal of the external auditor?   | <a href="#">Manual on Corporate Governance, II.B.2.d Board Committees – Nominations and Audit Committee.</a> | Y   | 1 | Not only Audit Committee - divided during the Annual Stockholders Meeting |

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| E.20   | <b>Internal Audit</b>   |  |    |    |                          |
| E.20.1 | Does the company have a separate internal audit function?   | <a href="#">Service Level Agreement</a>  | Y  | 1  | Outsource to BDO Unibank |
| E.20.2 | Is the head of internal audit identified or, if outsourced, is the name of the external firm disclosed?   | <a href="#">Service Level Agreement</a>  | Y  | 1  | Outsource to BDO Unibank |
| E.20.3 | Does the appointment and removal of the internal auditor require the approval of the Audit Committee?   | <a href="#">Manual on Corporate Governance, II.B.2.d Board Committees – Nominations and Audit Committee.</a>   | Y  | 1  |                          |
| E.21   | <b>Risk Oversight</b>   |  |    |    |                          |
| E.21.1 | Does the company disclose the internal control procedures/risk management systems it has in place?  | <a href="#">Secretary Certificate Annual Review/Renewal of the Market &amp; Liquidity Policy Manual / Audited Financial Statements Risk Management Objectives and Policies</a> | Y  | 1  |                          |
| E.21.2 | Does the Annual Report disclose that the board of directors/commissioners has conducted a review of the company's material controls (including operational, financial and compliance controls) and risk management systems? | <a href="#">Secretary Certificate Annual Review/Renewal of the Market &amp; Liquidity Policy Manual/ Audited Financial Statements Risk Management Objectives and Policies</a>  | Y  | 1  |                          |
| E.21.3 | Does the company disclose how key risks are managed?  | <a href="#">Secretary Certificate Annual Review/Renewal of the Market &amp; Liquidity Policy Manual / Audited Financial Statements Risk Management Objectives and Policies</a> | Y  | 1  |                          |
|        |   |  | 69 | 47 |                          |