



NATIONAL
REINSURANCE
CORPORATION
OF THE PHILIPPINES

Nat Re Copy

28 May 2021

HONORABLE COMMISSIONER ATTY. DENNIS B. FUNA

Insurance Commissioner
Office of the Insurance Commission
1071 United Nations Avenue,
Ermita, Manila



Re: Submission of the 2020 Annual Corporate Governance Report

Dear Commissioner Funa:

In compliance to the Insurance Commission's Circular Letter No. 2020-72, we hereby submit the 2020 Annual Corporate Governance Report (ACGR), in two (2) copies, for the National Reinsurance Corporation of the Philippines (the "Company").

The special provision or additional information of the Company's participation in the Philippine Catastrophe Insurance Facility is also attached as Annex A of the 2020 ACGR.

We hope you find our submission in good order.

Very Truly Yours,

Regina S. Ramos
Head of Risk and Compliance

ANNUAL CORPORATE GOVERNANCE REPORT OF
NATIONAL REINSURANCE CORPORATION OF THE PHILIPPINES
(Name of Company)

1. For the fiscal year ended, **December 31, 2020**
2. Certificate Authority Number **2019/06-R**
3. **Makati, Philippines**
Province, Country or other jurisdiction of incorporation or organization
4. **31st Floor, BPI-Philam Makati, 6811 Ayala Avenue, Makati City** **1227**
Address of principal office Postal Code
5. **(02) 8988-7400**
Company's telephone number, including area code
6. **<https://www.nat-re.com/>**
Company's official website
7. **Not Applicable**
Former name, former, address, and former fiscal year, if changed since last report

INTEGRATED ANNUAL CORPORATE GOVERNANCE REPORT- National Reinsurance Corporation of the Philippines, December 31,2020

	COMPLIANT/ NON- COMPLIANT	ADDITIONAL INFORMATION	EXPLANATION
The Board's Governance Responsibilities			
<p>Principle 1: The company should be headed by a competent, working board to foster the long- term success of the corporation, and to sustain its competitiveness and profitability in a manner consistent with its corporate objectives and the long- term best interests of its shareholders and other stakeholders.</p>			
Recommendation 1.1			
<p>1. Board is composed of directors with collective working knowledge, experience or expertise that is relevant to the company's industry/sector.</p>	Compliant	<p><u>Board of Directors</u></p> <p><i>Our website provides comprehensive information on the background, qualifications and business experience of all our directors. It shows that our directors have the appropriate mix of competence and expertise and that all are qualified for their respective position and collectively they fulfill their roles and responsibilities and respond to the needs of the organization.</i></p> <p><u>SEC 17-A Annual Report as of December 31, 2020</u>, Business Experience of the Directors, Document page 32-36, PDF Page 34-38 /187</p> <p><i>For further reference of Directors profile <u>Leadership</u></i></p>	
<p>2. Board has an appropriate mix of competence and expertise.</p>	Compliant		
<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.</p>	Compliant		

Recommendation 1.2			
1. Board is composed of a majority of non-executive directors.	Compliant	<p><u>Board of Directors</u></p> <p><i>Mr. Allan R. Santos, President & CEO is the only executive director of the Company while the nine (9) directors are all non-executive directors and three (3) are independent directors.</i></p>	
Recommendation 1.3			
1. Company provides in its Board Charter and Manual on Corporate Governance a policy on training of directors.	Compliant	<p><u>SEC 17-A Annual Report as of December 31, 2020</u>, Annual Continuing Training of Directors and Key officers, Document page 39 – 43, PDF page 41-45/187</p> <p><i>We disclosed in our 2020 SEC Form 17A, annual report the 'annual continuing training of directors and key officers'. We provide yearly budget for our directors and officers for their annual professional training on various areas such as corporate governance, risk management, data privacy, and</i></p>	

		<i>other relevant training program, etc.</i>	
2. Company has an orientation program for first time directors.	Compliant	<p><u>Nat Re Board Book</u> <i>We have a Board Book which provides new directors relevant information about the company- such as its overview, history, mission, vision and commitment, shareholding structures, products and services and many more.</i></p> <p><u>Nat Re Board Materials for Directors</u> <i>New directors are given an orientation on the Company's business. In addition, their attendance to our regular monthly board meeting serves as an effective on-boarding avenue for newly appointed directors to assimilate the business, the operations and all the relevant matters and workings about the company.</i></p>	
3. Company has relevant annual continuing training for all directors.	Compliant	<p><u>SEC 17-A Annual Report as of December 31, 2020</u>, Annual Continuing Training of Directors and Key officers, Document page 39 – 43, PDF page 41-45/187</p>	

Recommendation 1.4

<p>1. Board has a policy on board diversity.</p>	<p>Compliant</p>	<p>Amended By-Laws, Article III, Section 2, Qualification of Directors, PDF Page 10/36</p> <p>Our policy on diversity is defined under our By-laws on qualification of directors.</p> <p>Directors shall be possessed of the necessary skills, competence, and experience, in terms of management capabilities and <u>preferably in the field of insurance or insurance related disciplines.</u></p> <p>The Nat Re Board is composed of a mix of (8) male and (5) female directors of different ages with knowledge and competence in various fields especially in insurance and other insurance related disciplines. The vice-chairperson of the Board is a female. The composition of the Board ensures that optimal decision making is achieved.</p>	
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Optional: Recommendation 1.4			
1. Company has a policy on and discloses measurable objectives for implementing its board diversity and reports on progress in achieving its objectives.	Compliant	<p><u>Amended By-Laws</u>, Article III, Section 2, Qualification of Directors, PDF Page 10/36</p> <p>Our policy on diversity is defined under our By-laws on qualification of directors.</p> <p>Directors shall be possessed of the necessary skills, competence and experience, in terms of management capabilities and <u>preferably in the field of insurance or insurance related disciplines.</u></p> <p><u>Profile and business experience of our directors</u></p>	
2. Company has a policy on and discloses measurable objectives for implementing its board diversity and reports on progress in achieving its objectives		<p>Currently, we have 5 female directors out of 13 directors.</p> <p>The backgrounds and the various & extensive business experiences of our directors are very diverse as</p>	

		some are bankers, accountants, agricultural economist, engineer and insurance experts.	
Recommendation 1.5			
1. Board is assisted by a Corporate Secretary.	Compliant	<p><u>Corporate Secretary – Atty. Noel A. Laman</u></p> <p><u>Assistant Corporate Secretary – Atty. Ma. Pilar M. Pilares-Gutierrez</u></p> <p><i>Atty. Noel A. Laman and Atty. Ma. Pilar Pilares- Gutierrez are our corporate secretary and assistant corporate secretary respectively.</i></p>	
2. Corporate Secretary is a separate individual from the Compliance Officer.	Compliant	<p><u>Regina S. Ramos is the Compliance Officer</u></p> <p><i>Regina S. Ramos is the Compliance Officer and Atty. Noel A. Laman is the designated Corporate Secretary of the Company.</i></p>	
3. Corporate Secretary is not a member of the Board of Directors.	Compliant	<p><u>Corporate Secretary – Atty. Noel A. Laman</u></p> <p><u>Board of Directors</u></p> <p><i>We have 13 board members, and the Corporate Secretary is not a member.</i></p>	

4. Corporate Secretary attends training/s on corporate governance.	Compliant	<p><u>SEC 17-A Annual Report as of December 31, 2020</u>, Annual Continuing Training of Directors and Key Officers – Atty. Noel A. Laman (Corporate Secretary) and Atty. Ma. Pilar M. Pilares – Guitierrez (Assistant Corporate Secretary), items 14 and 15, Document page 43-4, PDF Page 45-46/187</p> <p><i>Attended Corporate Governance training for 2019 and 2020 respectively.</i></p>	
Optional: Recommendation 1.5			
1. Corporate Secretary distributes materials for board meetings at least five business days before scheduled meeting.	Compliant	<p><u>2020 Notice of Board Meeting - Excerpt</u></p> <p><i>We distribute meeting materials at least (5) days before the scheduled Board meetings.</i></p>	
Recommendation 1.6			
1. Board is assisted by a Compliance Officer.	Compliant	<p><u>Regina S. Ramos is the Compliance Officer</u></p>	
2. Compliance Officer has a rank of Senior Vice President or an equivalent position with adequate stature and authority in the corporation.	Compliant	<p><i>The Company's Compliance Officer, Regina S. Ramos, is Vice President & Head, Risk and Compliance.</i></p> <p><i>She is not a member of the Board of Directors, but she directly reports to the Governance and Risk Oversight Committees of the Board.</i></p>	

		<p>Amended By-Laws, Article 4, Section 8, PDF Page 17-18/36</p> <p><i>This section describes the duties and responsibilities of the Compliance Officer</i></p>	
3. Compliance Officer is not a member of the board.	Compliant	<p>Regina S. Ramos is the Compliance Officer</p> <p><i>Regina S. Ramos is not a member of the Board</i></p> <p>Board of Directors</p>	
4. Compliance Officer attends training/s on corporate governance.	Compliant	<p>SEC 17-A Annual Report as of December 31, 2020, Annual Continuing Training Attended by Officers, Regina S. Ramos, Document page 45, PDF Page 47/187, item 19</p> <p><i>Regina S. Ramos attended the Corporate Governance Forum conducted by the PSE/SEC.</i></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

<p>1. Directors act on a fully informed basis, in good faith, with due diligence and care, and in the best interest of the company.</p>	<p>Compliant</p>	<p>Evidence of director performance of duties include the following:</p> <p><u>Attendance of Directors in 2020 Board Meetings</u>, Certification of director attendance for the year 2020</p> <p><u>SEC Form 17-C Matters Approved by the Board dated February 27, 2020</u></p> <p><i>Disclosure showed several resolutions approved during the February 27, 2020 Board Meeting and duly disclosed to the SEC.</i></p>	
<p>Recommendation 2.2</p>			
<p>1. Board oversees the development, review and approval of the company's business objectives and strategy.</p>	<p>Compliant</p>	<p>The Board oversees development, review and approval of the company's business objectives and strategy and monitors its implementation during the monthly board meetings.</p>	
<p>2. Board oversees and monitors the implementation of the company's business objectives and strategy <u>in order to sustain the company's long term viability and strength.</u></p>	<p>Compliant</p>	<p>1. <u>Attendance of Directors in 2020 Board Meetings</u>, monthly meeting attendance to discuss financial results and other business matters for consideration requiring board guidance.</p>	

		<p>2. 2020 Notice of Board Meeting - Excerpt, Notice of Regular Monthly Meetings</p> <p>3. 2020 Board Meeting Agenda Items, Excerpt, Board Agenda Items</p> <p>4. Board Meeting Minutes Excerpt (17Dec2020), board resolution approving the operating plan for 2021 in the Regular Board Meeting dated December 17, 2020.</p>	
Supplement to Recommendation 2.2			
1. Board has a clearly defined and updated vision, mission and core values.	Compliant	<p>Our vision, mission and values Vision mission core values</p>	
2. Board has a strategy execution process that facilitates effective management performance and is attuned to the company's business environment, and culture.	Compliant	<p>2020 Board Meeting Agenda Items, Excerpt <i>Monthly board meetings discuss the monthly performance, details of business results vs. targets, issues and problems encountered and relevant matters affecting results and performance moving forward and if there are changes in the strategy to be implemented.</i></p>	

Recommendation 2.3			
1. Board is headed by a competent and qualified Chairperson.	Compliant	<p><u>Mr. Wilfredo C. Maldia is Chairman of the Board.</u></p> <p><i>Mr. Wilfredo C. Maldia took over as Chairman of the Board effective June 2019.</i></p>	
Recommendation 2.4			
1. Board ensures and adopts an effective succession planning program for directors, key officers and management.	Compliant	<p><u>Succession Planning Policy and Guidelines</u>, the company adopted policy and guidelines on succession planning.</p> <p><u>Nat Re Board of Directors</u></p> <p><i>Our three major shareholders see to it that their nominees are all qualified to be appointed as directors of the Company and have passed the review and evaluation conducted by the Nomination Committee. They tap their respective pool of executives within their group to ensure that nominees are highly competent and are each an expert in their respective fields of specialization.</i></p>	
2. Board adopts a policy on the retirement for directors and key officers.	Compliant	<p><u>SEC 17-A Annual Report as of December 31, 2020</u>, Board of</p>	

		<p>Directors, Document page 31, PDF Page 33/187</p> <p><i>Our Board allows its directors to serve the Company regardless of retirement age as long as they are able to provide their expert advice on the best strategy to be implemented given their business experience, competence and exposure in their varying fields and therefore they are very helpful in providing a lot of insights in shaping the future of the Company.</i></p> <p><u>Nat Re 2020 Sustainability Report</u>, <i>People/Retirement Benefits, Document Page 26, PDF Page 15/25; List of Employee Benefits, Document Page 22, PDF Page 13/25, second item to the last</i></p> <p><i>For key officers, the Company provides a retirement benefit for those reaching the age of 60, in accordance with the Company's retirement plan.</i></p>	
Recommendation 2.5			
<p>1. Board aligns the remuneration of key officers and board members with long-term interests of the company.</p>	<p>Compliant</p>	<p><u>SEC 17-A Annual Report as of December 31, 2020</u>, Directors and Executive Compensation,</p>	

<p>2. Board adopts a policy specifying the relationship between remuneration and performance.</p>		<p>Document Pages 47-48, PDF Page 49 - 50 / 187</p> <p><i>The Board receives their per diem for attendance in meetings based on a schedule as disclosed in the Company's SEC Form 17A or the Annual Report.</i></p> <p><u>SEC 20-IS Definitive Information Statement, May 2021</u> , Directors and Executive Compensation, Document Page 27, PDF Page 43</p> <p><u>Revised Performance Appraisal Form 2020</u></p> <p><i>The Board approved the Company's Performance Bonus program for key officers and employees. Merit increases for key officers and employees are based on performance.</i></p> <p><i>The total Performance Bonus award each year is subject to the approval of the Board based on actual performance while the total merit increase each year is approved by the Board as part of the annual budgeting process.</i></p>	
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		<p><u>Employee Bonus Policy</u></p> <p><u>Nomination and Compensation Committee Charter</u></p>	
<p>3. Directors do not participate in discussions or deliberations involving his/her own remuneration.</p>	<p>Compliant</p>	<p><u>SEC 17-A Annual Report as of December 31, 2020</u>, Directors and Executive Compensation, PDF Page 43-44/166</p> <p><i>The Board shall not participate in the final determination of their own remuneration as this matter is subject to the stockholders' approval. Art 3, Board of Directors, Sec.8- Director's Fees.</i></p> <p><u>Amended By-Laws approved by the Board on March 25, 2021</u> Board of Directors, Directors' Fees, Article III, Section 8, PDF Page 11</p> <p><u>SEC 20-IS Definitive Information Statement, May 2021</u> Compensation of Directors and Executive Officers, Document Pages 26-27, PDF Pages 42-43</p> <p><i>"Directors shall not participate in the final determination of their own per diems or compensation, which is subject to approval by the</i></p>	

		stockholders representing at least a majority of the outstanding capital stock.”	
Optional: Recommendation 2.5			
1. Board approves the remuneration of senior executives.	Compliant	<p>Amended By-Laws, Article V, Section 4, Nomination and Compensation Committee, pdf page 20/28</p> <p><i>The Committee may establish a formal and transparent procedure for developing a policy on executive remuneration and for fixing the remuneration packages of corporate officers and directors, and provide oversight over remuneration of senior management and other key personnel.</i></p> <p>Nomination and Compensation Committee Charter</p> <p><i>The Board approves through the Nomination Committee the compensation package of the Senior Executive Officers.</i></p>	
2. Company has measurable standards to align the performance-based remuneration of the executive directors	Compliant	<p>Minutes of Stockholders' Meeting of June 2008 Item 7, PDF Pages 2-3/4</p>	

and senior executives with long-term interest, such as claw back provision and deferred bonuses.		<i>Performance remuneration is tied to meeting business and performance targets, some of which have long-term effects on the Company.</i>	
Recommendation 2.6			
1. Board has a formal and transparent board nomination and election policy.	Compliant	<u>Nomination and Election Rule</u>	
2. Board nomination and election policy is disclosed in the company's Manual on Corporate Governance.	Compliant	<i>The Nomination and Election Rules provide for the Company's nomination and election policy. It provides the qualifications for directors both for regular and independent directors and the guidelines in assessing their qualifications.</i>	
3. Board nomination and election policy includes how the company accepted nominations from minority shareholders.	Compliant	<i>Current members of the Board show the diversity of their competence, business experience/background, knowledge and skills set.</i>	
4. Board nomination and election policy includes how the board shortlists candidates.	Compliant		
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.	Compliant	<u>Nat Re Leadership</u>	
6. Board has a process for identifying the quality of directors that is aligned with the strategic direction of the company.	Compliant		

Optional: Recommendation to 2.6

<p>1. Company uses professional search firms or other external sources of candidates (such as director databases set up by director or shareholder bodies) when searching for candidates to the board of directors.</p>	<p>Non-Compliant</p>		<p><i>We have not used professional search firms to source for nominees to our Board because our major shareholders tap their pool of qualified and competent directors for possible source of candidates for nomination to the Company's Board of directors. This can be observed from the different knowledge and competence of our directors in various fields especially in insurance and other insurance related disciplines. We are able to maintain a good mix of both male and female directors. Their extensive work experience and background serves the company well in fulfilling its role in the insurance industry.</i></p> <p><u>Nat Re Leadership</u></p>
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Recommendation 2.7

<p>1. Board has overall responsibility in ensuring that there is a group-wide policy and system governing related party transactions (RPTs) and other unusual or infrequently occurring transactions.</p>	<p>Compliant</p>	<p><u>Related Party Transaction Policy</u></p> <p><u>Material Related Party Transactions Policy</u></p>	
<p>2. RPT policy includes appropriate review and approval of material RPTs, which guarantee fairness and transparency of the transactions.</p>	<p>Compliant</p>	<p><i>RPT Policy provides for the responsibilities at different levels of the organization, from the Board, the Governance Committee and</i></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>Compliant</p>	<p><i>the Management, as to the requirement to review and approve material and unusual RPTs and it encompasses all entities within the group, taking into account the size, structure, risk profile and complexity of the operations.</i></p>	
Supplement to Recommendations 2.7			
<p>1. Board clearly defines the threshold for disclosure and approval of RPTs and categorizes such transactions according to those that are considered <i>de minimis</i> or transactions that need not be reported or announced, those that need to be disclosed, and those that need prior shareholder approval. The aggregate amount of RPTs within any twelve (12) month period should be considered for purposes of applying the thresholds for disclosure and approval.</p>	<p>Compliant</p>	<p><u>Related Party Transaction Policy</u> Annex A, PDF Page 10/17 <i>Related threshold for RPT approval is also provided in the related Annex.</i></p> <p><u>Material Related Party Transactions Policy</u></p>	
<p>2. Board establishes a voting system whereby a majority of non-related party shareholders approve specific types of related party transactions during shareholders' meetings.</p>	<p>Compliant</p>	<p><u>SEC 17-A Annual Report as of December 31, 2020</u>, Item 12, Certain Relationship and Related Party Transaction, Document Pages 51-52, PDF Page 53 -54 / 187</p> <p><i>Certain relationships and related transactions are disclosed</i></p>	

		<p>accordingly. Should there be any material related party transaction, the same is included in this report. Furthermore, to avoid any possible conflict of interest, only non-related parties vote on or approve related party transactions.</p> <p>SEC 17-A Annual Report as of December 31, 2020, Note 25 – Related Party Transactions, Document Page 74 -75, PDF Page 150 – 151 / 187</p> <p><i>Provides detailed disclosure of related party transactions.</i></p> <p>Nat Re Material Related Party Transactions Policy</p>	
Recommendation 2.8			
<p>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).</p>	<p>Compliant</p>	<p>Amended By-Laws, Article IV, Section 1, Officers, PDF Page 14 -15 / 36</p> <p>The by-laws of the Company provide that key /senior officers of the Company shall be appointed during the organizational meeting of the Board of Directors.</p>	

		<p><u>Amended By-Laws</u>, Nomination Committee, Article V, Section 4, PDF Page 19 / 36</p> <p><i>The Nomination and Compensation Committee screens and endorses key/senior officers to the Board for approval.</i></p> <p><u>Results of the August 7, 2020 Organizational Meeting of the Board appointing the officers of the Company</u></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>Compliant</p>	<p><u>Amended By-Laws</u>, Nomination Committee, Article V, Section 4, PDF Page 19 / 36</p> <p><i>Generally, the Nomination and Compensation Committee approves and endorses to the Board the compensation package of Senior Executive Officers. Related performance appraisal is also subject to their review and evaluation. Any merit increases and performance bonus of the Company is endorsed by the NCC to the Board for approval.</i></p> <p><i>The performance of the CEO is assessed by the NCC and endorsed to the Board for</i></p>	

		<p>approval. That of the Chief Risk and Compliance Officer and the Head of Internal Audit are assessed by the Governance and Risk Committees and the Audit Committee, respectively.</p> <p>Revised Performance Appraisal Form 2020</p> <p>Audit Committee Charter, Authority, PDF page 3/8</p> <p>The Audit Committee reviews and evaluates the performance of the Chief Audit Executive per related Audit Committee Charter.</p> <p>The performance appraisal of the Head of Risk and Compliance is reviewed by the CEO and being concurred by the members of the GRPT & Risk Oversight Committee.</p>	
Recommendation 2.9			
<p>1. Board establishes an effective performance management framework that ensures that Management's performance is at par with the standards set by the Board and Senior Management.</p>	<p>Compliant</p>	<p>Revised Performance Appraisal Form 2020</p> <p>The Company utilizes a performance management template for evaluating performance. An improved</p>	

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.	Compliant	<i>performance management measurement system has been introduced in 2018 which is more specific in defining key performance objectives and specific targets and expected deliverables from each employee.</i>	
Recommendation 2.10			
1. Board oversees that an appropriate internal control system is in place.	Compliant	<u>Report of the Audit Committee for the Year Ended, December 31, 2020</u>	
2. The internal control system includes a mechanism for monitoring and managing potential conflict of interest of the Management, members and shareholders.	Compliant	<p><i>This oversight function is delegated to the Board's Audit Committee, who is responsible to oversee the company's internal control system. An Audit Committee Certification for 2020 is provided as reference.</i></p> <p><u>Conflict of Interest</u></p> <p><i>Yes, please refer to the subject policy on conflict of interest.</i></p>	
3. Board approves the Internal Audit Charter.	Compliant	<p><u>Internal Audit Charter</u></p> <p><i>The Internal Audit Charter is herewith provided as reference. This was approved by the Audit Committee and endorsed to the Board.</i></p>	
Recommendation 2.11			

1. Board oversees that the company has in place a sound enterprise risk management (ERM) framework to effectively identify, monitor, assess and manage key business risks.	Compliant	Risk Oversight Committee Charter Nat Re Risk Management Framework	
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	Risk Oversight Committee Charter <i>Risk Oversight Committee ("ROC") Charter; ERM Policy Framework are provided for reference.</i> <i>The Board through the ROC oversees the Company's ERM framework, risk exposures and effectiveness of the risk management measures.</i>	
Recommendation 2.12			
1. Board has a Board Charter that formalizes and clearly states its roles, responsibilities and accountabilities in carrying out its fiduciary role.	Compliant	Amended Articles of Incorporation Amended By-Laws	
2. Board Charter serves as a guide to the directors in the performance of their functions.	Compliant	<i>The Articles of Incorporation, By-laws and Board Committee Charters of the Company generally serve as guidance to the Board in fulfilling its responsibilities and in carrying out its fiduciary role. These guide directors in performing their roles and responsibilities.</i>	
3. Board Charter is publicly available and posted on the company's website.	Compliant	Nat Re Board Book	

Additional Recommendation to Principle 2			
1. Board has a clear insider trading policy.	Compliant	<u>Policy on Insider Trading of Company Securities</u> <i>The Board has a clear Insider Trading Policy.</i>	
Optional: Principle 2			
1. Company has a policy on granting loans to directors, either forbidding the practice or ensuring that the transaction is conducted at arm's length basis and at market rates.	Non-Compliant		<i>While the Company has no specific written policy allowing the granting of a loan to any director nor forbidding the practice, there was never an instance in the past where this was allowed by the Company. We are currently guided by our <u>Conflict of Interest Policy.</u> This policy generally requires that transactions with related parties are carried on an arm's length basis and the same is subject to an approval and/or a reporting process.</i>
2. Company discloses the types of decision requiring board of directors' approval.	Compliant	<u>Amended By-Laws</u> , Article III, Section 9, Duties and Powers of the Board of Directors, PDF Pages 12-13 / 36	

Principle 3: Board committees should be set up to the extent possible to support the effective performance of the Board's functions, particularly with respect to audit, risk management, related party transactions, and other key corporate governance concerns, such as nomination and remuneration. The composition, functions and responsibilities of all committees established should be contained in a publicly available Committee Charter.			
Recommendation 3.1			
1. Board establishes board committees that focus on specific board functions to aid in the optimal performance of its roles and responsibilities.	Compliant	Amended By-Laws , Article V, Board Committees, PDF Page 18-20 / 36 <i>The Board Committees are established by the Board to aid in the optimal performance of its roles and responsibilities.</i>	
Recommendation 3.2			
1. Board establishes an Audit Committee to enhance its oversight capability over the company's financial reporting, internal control system, internal and external audit processes, and compliance with applicable laws and regulations.	Compliant	Amended By-Laws , Article V, Section 3, Audit Committee, PDF Page 19 / 36 Audit Committee Members <i>The Board established an Audit Committee to enhance its oversight capability over the company's financial reporting, internal control system, internal and external audit processes and compliance with applicable laws and regulations.</i>	
2. Audit Committee is composed of at least three appropriately qualified non-	Compliant	Ermilando D. Napa Medel T. Nera	

executive directors, the majority of whom, including the Chairman is independent.		<u>Rex Maria A. Mendoza</u>	
3. All the members of the committee have relevant background, knowledge, skills, and/or experience in the areas of accounting, auditing and finance.	Compliant	All members of the Audit Committee are the Independent Directors: Messrs. Ermilando D. Napa, Medel T. Nera and Rex Maria A. Mendoza. They possess all the relevant background, knowledge, skills and experience in the areas of accounting, auditing and finance.	
4. The Chairman of the Audit Committee is not the Chairman of the Board or of any other committee.	Compliant	<u>Ermilando D. Napa</u> , Chairman of the Audit Committee Mr. Ermilando D. Napa is the Chairman of the Audit Committee while Mr. Wilfredo C. Maldia is the Chairman of the Board. <u>Wilfredo C. Maldia</u> , Chairman of the Board	
Supplement to Recommendation 3.2			
1. Audit Committee approves all non-audit services conducted by the external auditor.	Compliant	<u>Revised Audit Committee Charter</u> Responsibilities, Item 4 -External Audit (e), PDF Page 7/8 The Audit Committee approves all non-audit services conducted by the external auditor.	

2. Audit Committee conducts regular meetings and dialogues with the external audit team without anyone from management present.	Compliant	<p><u>Report of the Audit Committee for the Year Ended, December 31, 2020</u> The Audit Committee met five (5) times during the year and had meetings with the external auditors and also met with them exclusively without management.</p>	
Optional: Recommendation 3.2			
1. Audit Committee meet at least four times during the year.	Compliant	<p><u>Report of the Audit Committee for the Year Ended, December 31, 2020</u> The Audit Committee met five (5) times during the year.</p>	
2. Audit Committee approves the appointment and removal of the internal auditor.	Compliant	<p><u>Revised Audit Committee Charter, Authority, Item (C)(2), PDF Page 3</u></p> <p><i>Approve the Chief Audit Executive's (CAE) appointment, dismissal, compensation, and salary adjustment relative to annual performance evaluations and ensure that there are no unjustified restrictions or limitations thereto.</i></p> <p><u>Organizational Chart</u> <i>Organizational chart also shows the direct line of the Internal Auditor to the relevant Board Committee (Audit Committee)</i></p>	

Recommendation 3.3			
1. Board establishes a Corporate Governance Committee tasked to assist the Board in the performance of its corporate governance responsibilities, including the functions that were formerly assigned to a Nomination and Remuneration Committee.	Compliant	<p>Amended By-Laws, Article V, Section V, Governance and Related Transaction Committee, PDF Pages 19 – 20 / 36</p> <p>Governance and Related Party Transaction Committee</p> <p>Governance and Related Party Transaction Committee Charter <i>The Board established the Governance and Related Party Transaction Committee who oversees the corporate governance responsibilities of the Board.</i></p>	
2. Corporate Governance Committee is composed of at least three members, all of whom should be independent directors.	Compliant	<p>Results of the August 7, 2020 Annual Stockholders' Meeting and Organizational Meeting, item 6, Document page 4, PDF Page 7 / 7 <i>Members of the Governance Committee are all the Independent Directors: Rex Maria A. Mendoza, Medel T. Nera and Ermilando D. Napa.</i></p>	
3. Chairman of the Corporate Governance Committee is an independent director.	Compliant	<p>Results of the August 7, 2020 Annual Stockholders' Meeting and Organizational Meeting, item 6, Document page 4 PDF Page 7 / 7</p>	

		Mr. Mendoza is the Chairman of the Governance and Related Party Committee, and he was elected by the shareholders as Independent Director.	
Optional: Recommendation 3.3			
1. Corporate Governance Committee meet at least twice during the year.	Compliant	<u>GRPT Meeting Minutes - Excerpts</u> <i>The Governance Committee (GRPT) had two (3) meetings in 2020. (February 18, March 17 and July 15, 2020). Excerpts of these meetings are herewith referred to.</i>	
Recommendation 3.4			
1. Board establishes a separate Board Risk Oversight Committee (BROC) that should be responsible for the oversight of a company's Enterprise Risk Management system to ensure its functionality and effectiveness.	Compliant	<u>Amended By-Laws</u> , Article V, Section 6, Risk Oversight Committee, PDF Page 20/36 <i>The Board established a separate Risk Oversight Committee.</i>	
2. BROC is composed of at least three members, the majority of whom should be independent directors, including the Chairman.	Compliant	<u>Results of the August 7, 2020 Organizational Meeting of the Board appointing the officers of the Company</u> , item 5, PDF Pages 6 / 7 Risk Oversight Committee is composed of the following: <i>Chairman is Mr. Medel T. Nera. Independent Director Members are:</i>	

		<p>Rex Maria A. Mendoza (Independent Director) Ermilando D. Napa (Independent Director) Maria Consuelo A. Lukban Allan R. Santos</p> <p>As of December 31, 2020, three (3) of the members are IDs out of five (5) members therefore, majority are Independent Directors.</p>	
3. The Chairman of the BROOC is not the Chairman of the Board or of any other committee.	Compliant	<p>Results of the August 7, 2020 Organizational Meeting of the Board appointing the officers of the Company, item 5, PDF Page 6/7</p> <p>Risk Oversight Committee</p> <p>Mr. Medel T. Nera, Chairman of the ROC is not the Chairman of the Board. Mr. Wilfredo C. Maldia is the Chairman of the Board.</p>	
4. At least one member of the BROOC has relevant thorough knowledge and experience on risk and risk management.	Compliant	<p>SEC 17-A Annual Report as of December 31, 2020, Business Experience of Directors during the past five (5) years, Document Pages 35-36, PDF Pages 37-38/187 – Ermilando D. Napa, Medel T. Nera, Rex Maria A. Mendoza</p>	

		<i>All the three IDs who are members of the Risk Oversight Committee have relevant experience and competence relative to the subject matter of risk management.</i>	
Recommendation 3.5			
1. Board establishes a Related Party Transactions (RPT) Committee, which is tasked with reviewing all material related party transactions of the company.	Compliant	<p><u>Amended By-Laws</u>, Article V, Section 5, Governance and Related Transaction Committee, PDF Pages 19-20/36</p> <p><u>Governance and Related Party Transaction Committee</u></p> <p><u>Governance and Related Party Transaction Committee Charter</u></p> <p><i>The Board established the Governance and Related Party Transaction Committee (GRPT) who will oversee both the corporate governance responsibilities of the Board and review /evaluation of Related Party Transactions.</i></p>	
2. RPT Committee is composed of at least three non-executive directors, two of whom should be independent, including the Chairman.	Compliant	<p><u>Results of the August 7, 2020 Organizational Meeting of the Board appointing the officers of the Company</u>, item 6, PDF Page 7 / 7</p> <p><i>As of December 31, 2020, members of the Governance and Related Party Committee are all the</i></p>	

		Independent Directors: Rex Maria A. Mendoza (Chairman), Medel T. Nera and Ermilando D. Napa.	
Recommendation 3.6			
1. All established committees have a Committee Charter stating in plain terms their respective purposes, memberships, structures, operations, reporting process, resources and other relevant information.	Compliant	Amended By-Laws , Article V, Board Committees, PDF Pages 18-20/36 <i>All board committees, respective members and related committee charters are posted in the company's website.</i>	
2. Committee Charters provide standards for evaluating the performance of the Committees.	Compliant	Board Committees and Charters	
3. Committee Charters were fully disclosed on the company's website.	Compliant		
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			
1. The Directors attend and actively participate in all meetings of the Board, Committees and shareholders in person or through tele-/videoconferencing conducted in accordance with the rules and regulations of the Commission.	Compliant	Attendance of Directors in 2020 Board Meetings 2020 Board Committees Certification of Attendance	

		<i>Directors' attendance for the year 2020 in all board and board committee meetings</i>	
2. The directors review meeting materials for all Board and Committee meetings.	Compliant	Board Meeting Minutes with GRPT Reports - Excerpt (27Feb2020)	
3. The directors ask the necessary questions or seek clarifications and explanations during the Board and Committee meetings.	Compliant	Board Meeting Minutes with Underwriting Committee Report - Excerpt <i>- Board Committee Reports</i> <i>The directors review meeting materials and seek clarification and explanations during the Board and Committee meetings.</i>	
Recommendation 4.2			
1. Non-executive directors concurrently serve in a maximum of five publicly-listed companies to ensure that they have sufficient time to fully prepare for minutes, challenge Management's proposals/views, and oversee the long-term strategy of the company.	Non-Compliant	SEC 17-A Annual Report as of December 31, 2020 , Directorship in Other Listed Companies, Document Page 38, PDF Page 40/187 <i>Provides information on the other directorships held by the directors in reporting companies other than the Company showing no more than five (5) publicly listed companies.</i>	For the coming term 2021-2022, Director Medel T. Nera who is for re-election will be serving as a director in more than five (5) publicly listed companies however, our records show that he has always attended the board and committee meetings and the Annual Stockholders' Meetings of the company. He is committed to his role and responsibility as an ID of Nat Re as he finds sufficient time to keep abreast of

			<p>the company's operations, actively participates in meetings, challenges management's views and proposals and provides meaningful insights to guide Management toward its strategic direction.</p> <p>SEC 20-IS Definitive Information Statement, May 2021, PDF page 61-62 on justification of Mr. Nera's re-election as Independent Director for the Term 2021-2022.</p>
Recommendation 4.3			
<p>1. The directors notify the company's board before accepting a directorship in another company.</p>	Compliant	<p>Sample Request for Directors to Update Business Profile</p> <p><i>Directors are required yearly to update their business experience and to indicate if they have any change in directorships in other reporting companies.</i></p>	
Optional: Principle 4			
<p>1. Company does not have any executive directors who serve in more than two boards of listed companies outside of the group.</p>	Compliant	<p>SEC 17-A Annual Report as of December 31, 2020, Directorship in Other Listed Companies, Document Page 38, PDF Page 40/187</p> <p><i>Provides information on the other directorships held in reporting companies other than the</i></p>	

		<p>company showing no more than (5) publicly listed company.</p> <p>Mr. Allan R. Santos, is the only executive director and President/CEO and he does not have any other directorship in other listed companies.</p>	
2. Company schedules board of directors' meetings before the start of the financial year.	Compliant	<p>Results of the August 7, 2020 Organizational Meeting of the Board appointing the officers of the Company, PDF Page 7/7</p> <p>The Company Schedules regular board meeting fourth Thursday of the month.</p>	
3. Board of directors meet at least six times during the year.	Compliant	<p>Attendance of Directors in 2020 Board Meetings</p> <p>Please see director's attendance for the year 2020 in all board meetings. There were twelve (12) regular board meetings during 2020 and one (1) organizational board meeting.</p>	
4. Company requires as minimum quorum of at least 2/3 for board decisions.	Compliant	<p>Amended By-Laws, Article III, Section 7, Quorum, PDF Page 11/36</p> <p>Per company's By-laws, at least 2/3 of the members of the Board of Directors shall be necessary</p>	

		and sufficient to constitute a quorum.	
Principle 5: The board should endeavor to exercise an objective and independent judgment on all corporate affairs			
Recommendation 5.1			
<p>1. The Board has at least 3 independent directors or such number as to constitute one-third of the board, whichever is higher.</p> <p>The Insurance Commission requires its regulated companies to have a Board of Directors composed of at least twenty percent (20%) independent directors.</p>	<p>Non-Compliant</p> <p>Compliant</p>	<p>The Company has three (3) Independent Directors over thirteen (13) Board of Directors.</p>	<p>While we are short of the recommended CG practice of having a higher composition of Independent Directors in our Board, our current number of having three (3) Independent directors in our Board complies with the SEC's mandatory requirement to have at least 20% of our board size represented by Independent directors (IDs).</p> <p>Though the recommended CG practice is to have one-third of the Board represented by IDs, we believe that we have good control practices and there is good check and balance within our organizational structure as there is no single controlling interest among our shareholders.</p> <p><u>Organizational structure & ownership</u></p> <p>Each of our (3) IDs serves as committee chair for the Audit Committee, Risk Oversight Committee, and the Governance & Related Party Transaction Committee.</p>

			<p>The Board has also designated a Lead Independent Director, who serves as an intermediary between the Chairman and the other directors when necessary.</p> <p>Reference: Board Committees and Charters</p> <p>Results of the August 7, 2020 Organizational Meeting of the Board appointing the officers of the Company</p>
Recommendation 5.2			
1. The independent directors possess all the qualifications and none of the disqualifications to hold the positions.	Compliant	<p>Certification of Independent Directors</p> <p><i>Certification of Independent Directors that they possess all the qualifications and none of the disqualifications.</i></p>	
Supplement to Recommendation 5.2			
1. Company has no shareholder agreements, by-laws provisions, or other arrangements that constrain the directors' ability to vote independently.	Compliant	<p>SEC 17-A Annual Report as of December 31, 2020, Voting Trust Holders of 5% or more and Change in Control Declaration, Document Page 50, PDF Page 52/187</p> <p><i>No voting trust holders of 5% or more nor any changes in control that may constrain directors from voting independently.</i></p>	

Recommendation 5.3			
1. The independent directors serve for a cumulative term of nine years (reckoned from 2012).	Compliant	<p>SEC 17-A Annual Report as of December 31, 2020, Business Profile of Rex Maria A. Mendoza, Ermilando D. Napa and Medel T. Nera, Document Pages 25-36, PDF Pages 37-38/187</p> <p><i>All our IDs terms are within the required cumulative term of nine years, reckoned from 2019 (Mr. Mendoza) and 2012 (Mr. Napa and Mr. Nera).</i></p>	<p><i>After nine (9) years and the Company prefers to retain its independent directors, the board will provide its meritorious justification and will seek the shareholders' approval.</i></p> <p>SEC 20-IS Definitive Information Statement, May 2021, Annex A, Justification for the re-election of Director Medel T. Nera as Independent Director for the Term 2021-2022, Document Pages 44-45, PDF Pages 60-61</p>
2. The company bars an independent director from serving in such capacity after the term limit of nine years.	Non-Compliant		
3. In the instance that the company retains an independent director in the same capacity after nine years, the board provides meritorious justification and seeks shareholders' approval during the annual shareholders' meeting.	Compliant		
Recommendation 5.4			
1. The positions of Chairman of the Board and Chief Executive Officer are held by separate individuals.	Compliant	<p>General Information Sheet Directors / Officers, PDF Page 4/10</p> <p>Wilfredo C Maldia Allan R. Santos</p>	

		<i>The Chairman is Mr. Wilfredo C. Maldia while the President and CEO is Mr. Allan R. Santos.</i>	
2. The Chairman of the Board and Chief Executive Officer have clearly defined responsibilities.	Compliant	<u>Amended By-Laws</u> Article III, Section 11, Duties of the Chairman, PDF Page 14/36 Article IV, Section 2, Duties of the President, PDF Page 15/36	
Recommendation 5.5			
1. If the Chairman of the Board is not an independent director, the board designates a lead director among the independent directors.	Compliant	<u>Results of the August 7, 2020 Annual Stockholders' Meeting and Organizational Meeting</u> , Lead Director, PDF Page 7/7 <i>Mr. Ermilando D. Napa, an independent Director, is designated as the Lead Director</i> <u>Revised Manual on Corporate Governance</u> Lead Independent Director, PDF page 25	
Recommendation 5.6			
1. Directors with material interest in a transaction affecting the corporation abstain from taking part in the deliberations on the transaction.	Compliant	<u>Conflict of Interest</u> , Item 1.2, PDF Page 2/4 <i>Provides that if a director has a material interest in a transaction</i>	

		<p>affecting the company, he abstains from taking part in the approval/decision making required on the subject transaction.</p>	
Recommendation 5.7			
<p>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 present to ensure that proper checks and balances are in place within the corporation.</p>	Compliant	<p><u>Report of the Audit Committee for the Year Ended, December 31, 2020</u> <i>The Audit Committee (composed of independent directors) met with the Internal Audit Head and the Independent External Auditors in private sessions during the year.</i></p> <p><i>The NEDs from the Board or the respective Board Committee freely requests to have executive sessions if there is a need to hold one. No formal recording of the Minutes is made. The same is presided by the Board Chairman; or the respective Chairman of the subject Board Committees.</i></p>	
<p>2. The meetings are chaired by the lead independent director.</p>	Compliant	<p><u>Audit Committee Minutes on Meeting with External Auditors - Excerpt</u> <i>Usually during approval of the year-end audited numbers, the managing or lead partner of the external auditing firm attends the audit committee session and requests for an executive session</i></p>	

		before the meeting ends. An excerpt of the said meeting is provided here as reference. Mr. Leonardo (Jun) Cuaresma, Managing Partner of Punongbayan and Araullo attended the meeting.	
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Optional: Principle 5

1. None of the directors is a former CEO of the company in the past 2 years.	Compliant	<p><u>Appointment and Resignation of CEO/President</u> Allan R. Santos is the President and CEO effective August 2018. None of the directors is a former CEO of the company for the past two or more years.</p> <p><u>SEC 17-A Annual Report as of December 31, 2020</u>, Business Profile of Directors showing none of the Non-Executive Directors was a former CEO of the Company in the past five years, Document page 32-36, PDF Page 34-38 /187</p> <p><u>General Information Sheet showing Allan R. Santos as President and CEO</u> Allan R. Santos is CEO effective August 2018, item 2, PDF Page 4/11</p>	
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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.

1. Board conducts an annual self-assessment of its performance as a whole.	Compliant	<u>Board Meeting Minutes with Board Performance Assessment Excerpt</u> <i>item c, Report on the Performance Assessment of the Board of Directors, PDF page 2/2</i>	
2. The Chairman conducts a self-assessment of his performance.	Compliant		
3. The individual members conduct a self-assessment of their performance.	Compliant	<u>Audit Committee Performance Self-Assessment Result</u>	
4. Each committee conducts a self-assessment of its performance.	Compliant	<u>Board Performance Self-Assessment Template</u> <u>ASEAN CG Scorecard and Compliance</u>	
5. Every three years, the assessments are supported by an external facilitator.	Compliant	<i>Currently we are using the existing CG Scorecard, Board and Board Committee Assessment, I-ACGR to assess the performance of our Board, Board Committees, Chairman and individual directors. Our Audit Committee as required by the SEC conducts a separate performance assessment yearly and the same is disclosed to the subject regulatory body.</i> <i>The external validators of the ACGS provide a written report on areas we need to improve on in our CG practices and which we as a</i>	

		<p>Company worked on to implement changes recommended. Starting 2019, we performed a separate self-assessment for our directors through our Governance Committee and thereupon will assess the need to engage an external facilitator.</p>	
Recommendation 6.2			
<p>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.</p>	Compliant	<p><u>Board Meeting Minutes with Board Performance Assessment Excerpt</u> <i>item c, Report on the Performance Assessment of the Board of Directors, PDF page 2/2</i></p> <p><u>Audit Committee Performance Self-Assessment Result</u></p>	
<p>2. The system allows for a feedback mechanism from the shareholders.</p>	Compliant	<p><u>ASEAN CG Scorecard and Compliance</u></p> <p><i>Currently we are using the existing CG Scorecards, PSE and ACGS to assess the performance of our Board, Board Committees, Chairman and individual directors. Our Audit Committee as required by SEC conducts a separate performance assessment yearly and the same is disclosed to the subject regulatory body.</i></p>	

		<p>The external valuator's of the ACGS provide a written report on areas we need to improve in our CG practices and which we as a company worked on to implement the changes recommended.</p> <p>Board Performance Self-Assessment Template</p> <p>Starting 2018, we performed a separate self-assessment for our directors through our Governance Committee and thereupon will assess the need to engage an external facilitator.</p>	
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Principle 7: Members of the Board are duty-bound to apply high ethical standards, taking into account the interests of all stakeholders.

Recommendation 7.1

1. Board adopts a Code of Business Conduct and Ethics, which provide standards for professional and ethical behavior, as well as articulate acceptable and unacceptable conduct and practices in internal and external dealings of the company.	Compliant	<p>Code of Ethics Code of Conduct</p> <p>These Codes provide standards for professional and ethical behavior.</p>	
2. The Code is properly disseminated to the Board, senior management and employees.	Compliant	<p>Code of Ethics Code of Conduct</p> <p>The Codes are properly disseminated to the Board, Senior</p>	

		Management and Employees. These are also available in our website.	
3. The Code is disclosed and made available to the public through the company website.	Compliant	Code of Ethics Code of Conduct These codes are published in the Company website.	
Supplement to Recommendation 7.1			
1. Company has clear and stringent policies and procedures on curbing and penalizing company involvement in offering, paying and receiving bribes.	Compliant	Anti-Bribery and Corruption Policy The Anti-Bribery and Corruption Policy is posted on the website	
Recommendation 7.2			
1. Board ensures the proper and efficient implementation and monitoring of compliance with the Code of Business Conduct and Ethics.	Compliant	Whistleblower Policy The Whistleblower Policy is in place so that any exception observed by employees can be raised to the appropriate officials.	
2. Board ensures the proper and efficient implementation and monitoring of compliance with company internal policies.	Compliant	Report of the Audit Committee for the Year Ended, December 31, 2020 The Audit Committee assists the Board of Directors in carrying out its responsibilities as they relate to the oversight of the Company's Internal Control functions. The Audit	

		Committee ensures compliance with Company's internal policies.	
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			
1. Board establishes corporate disclosure policies and procedures to ensure a comprehensive, accurate, reliable and timely report to shareholders and other stakeholders that gives a fair and complete picture of a company's financial condition, results and business operations.	Compliant	<p><u>Nat-Re Corporate Governance website page</u></p> <p><i>The webpage includes all the required disclosures for stockholders and other stakeholders that give fair and complete picture of the Company's financial condition, results and business operations.</i></p> <p><i>The Company is fully compliant with mandatory disclosure requirements of the regulators.</i></p>	
Supplement to Recommendations 8.1			
1. Company distributes or makes available annual and quarterly consolidated reports, cash flow statements, and special audit revisions. Consolidated financial statements are published within ninety (90) days from the end of the fiscal year, while interim reports are	Compliant	<p><u>Reports and Financial Statements</u></p> <p><u>Financial Highlights</u></p> <p><u>SEC and PSE Filings</u></p> <p><i>Annual Reports (SEC 17-A)</i></p>	

published within forty-five (45) days from the end of the reporting period.		<i>Quarterly Financial Reports (SEC 17-Q)</i> <i>We are fully compliant on disclosing the required reports on time.</i>	
2. Company discloses in its annual report the principal risks associated with the identity of the company's controlling shareholders; the degree of ownership concentration; cross-holdings among company affiliates; and any imbalances between the controlling shareholders' voting power and overall equity position in the company.	Compliant	<u>SEC 17-A Annual Report as of December 31, 2020</u> Item 12. Certain Relationships and Related Transactions, Document pages 51-53, PDF pages 53 - 55/187	
Recommendation 8.2			
1. Company has a policy requiring all directors to disclose/report to the company any dealings in the company's shares within three business days.	Compliant	<u>Revised Policy on Insider Trading</u> <i>Insiders Trading Policy requires all directors and key officers to disclose transactions /dealings in company shares within two (2) business days from transaction date.</i>	
2. Company has a policy requiring all officers to disclose/report to the company any dealings in the company's shares within three business days.	Compliant		
Recommendation 8.3			
1. Company discloses the trading of the corporation's shares by directors, officers (or persons performing similar functions) and controlling shareholders. This includes the disclosure of the company's	Compliant	<u>SEC Form 23-A / B Statement of Beneficial Ownership Securities</u> <i>Acquisitions and/or disposals of Company Securities by the directors / officers are duly</i>	

purchase of its shares from the market (e.g. share buy-back program).		<i>disclosed as mandated by the regulatory bodies through the Statement of Beneficial Ownership of Securities – SEC Form 23-A or B, whichever is applicable.</i>	
Recommendation 8.3			
1. Board fully discloses all relevant and material information on individual board members to evaluate their experience and qualifications, and assess any potential conflicts of interest that might affect their judgment.	Compliant	<u>SEC 17-A Annual Report as of December 31, 2020</u> Part III Item 9- Directors and Executive Officers, Document Pages 31-36, PDF pages 33-38/187	
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		
Recommendation 8.4			
1. Company provides a clear disclosure of its policies and procedure for setting Board remuneration, including the level and mix of the same in the Annual Corporate Governance Report consistent with ASEAN Corporate Governance Scorecard (ACGS) and the Revised Corporation Code.	Compliant	<u>SEC 17-A Annual Report as of December 31, 2020</u> Item 10. Executive Compensation, Document Pages 47-48, PDF Page 49 - 50 / 187 <u>Nomination and Compensation Committee Charter</u>	
2. Company provides a clear disclosure of its policies and procedure for setting	Compliant		

<p>executive remuneration, including the level and mix of the same in the Annual Corporate Governance Report consistent with ASEAN Corporate Governance Scorecard (ACGS) and the Revised Corporation Code.</p>		<p>The Nomination and Compensation Committee establish a formal and transparent procedure for developing a policy on executive remuneration packages of corporate officers and directors.</p>	
<p>3. Company discloses the remuneration on an individual basis, including termination and retirement provisions.</p>	<p>Compliant</p>	<p>SEC 20-IS Definitive Information Statement, May 2021, Item 6. Compensation of Directors and Executive Officers, Document pages 26 – 27, PDF pages 42 - 43</p>	
<p>Recommendation 8.5</p>			
<p>1. Company discloses its policies governing Related Party Transactions (RPTs) and other unusual or infrequently occurring transactions in their Manual on Corporate Governance.</p>	<p>Compliant</p>	<p>Related Party Transaction Policy Material Related Party Transactions Policy</p>	
<p>2. Company discloses material or significant RPTs reviewed and approved during the year.</p>	<p>Compliant</p>	<p>SEC 17-A Annual Report as of December 31, 2020, Item 12. Certain Relationships and Related Transactions, Document Pages 51-53, PDF page 53-55/187</p>	

		FS Note 25 - Related Party Transactions, PDF pages 150-153/187	
Supplement to Recommendation 8.5			
1. Company requires directors to disclose their interests in transactions or any other conflict of interests.	Compliant	<p><u>Related Party Transaction Policy with Policy on Conflict of Interest</u></p> <p><u>Insider Trading Policy</u></p> <p><i>All directors, officers, and employees are expected to promote the Company's interest. They shall not compete with the Company, nor shall they allow business dealings on behalf of the Company to be influenced, and or appear to be influenced by their own personal or family interests.</i></p> <p><i>It is the responsibility of each director, officer, and employee to promptly notify the Board, through the Corporate Secretary or Compliance Officer, of any actual or potential conflict of interest as soon as they become aware of it.</i></p>	
Optional : Recommendation 8.5			
1. Company discloses that RPTs are conducted in such a way to ensure that they are fair and at arms' length.	Compliant	<p><u>Related Party Transaction Policy</u></p> <p><i>In the review of Related Party Transactions (RPT), Nat Re shall at all times abide by the standard that</i></p>	

		<i>the RPT is "fair and arms-length" and is in the best interest of the Company.</i>	
1. Company makes a full, fair, accurate and timely disclosure to the public of every material fact or event that occur, particularly on the acquisition or disposal of significant assets, which could adversely affect the viability or the interest of its shareholders and other stakeholders.	<i>Compliant</i>	<p><u>PSE/SEC Disclosures</u></p> <p><i>The Company complies with the disclosure requirements of the SEC and PSE. The Company, however, has not acquired nor disposed any significant assets for the year 2019, which could adversely affect the viability or the interest of its shareholders and other stakeholders.</i></p>	
2. Board appoints an independent party to evaluate the fairness of the transaction price on the acquisition or disposal of assets.	<i>Compliant</i>	<p>The Company has not acquired or disposed any significant assets for the year 2020. No need for an independent party.</p> <p><u>Policy on Conflict of Interest</u></p> <p><i>It is the policy of the Company that fair and impartial business transactions are concluded for the benefit of the Company and all its stakeholders. In this regard, the Company seeks to ensure that any conflict of interest situation is addressed and avoided, and all transactions are conducted at</i></p>	

		<i>arm's length with consideration paid or received by the Company.</i>	
Supplement to Recommendation 8.6			
1. Company discloses the existence, justification and details on shareholder agreements, voting trust agreements, confidentiality agreements, and such other agreements that may impact on the control, ownership, and strategic direction of the company.	Compliant	<u>PSE/SEC Disclosures</u> <i>The Company complies with the disclosure requirements of the SEC and PSE. The Company, however, has not executed, and neither is it aware of any shareholder agreements, voting trust agreements, confidentiality agreements among its shareholders.</i>	
Recommendation 8.7			
1. Company's corporate governance policies, programs and procedures are contained in its Manual on Corporate Governance (MCG).	Compliant	<u>Revised Manual on Corporate Governance</u> <i>The Company's Corporate Governance policies and programs are in its Manual of Corporate Governance which was submitted to the SEC and PSE and posted in Company website.</i>	
2. Company's MCG is submitted to the SEC and PSE.	Compliant		
3. Company's MCG is posted on its company website.	Compliant		
Supplement to Recommendation 8.7			
1. Company submits to the SEC and PSE an updated MCG to disclose any changes in its corporate governance practices. The Insurance Commission also requires all its regulated companies to submit	Compliant	<u>Revised Manual on Corporate Governance</u>	

their Revised Code of Corporate Governance, IC CL 2020-71, starting May 2021.		<i>(PSE report link is to be provided when the Revised Manual of Corporate Governance is submitted, before filing this report)</i> <i>Submitted to both the SEC and IC.</i>	
1. Does the company's Annual Report disclose the following information:	Compliant	SEC 17-A Annual Report as of December 31, 2020 <i>Key Performance Indicator / Financial Soundness Indicator, Document page 29, PDF Pages 31/187</i> Nat Re 2020 Sustainability Report <i>Report for non-financial indicators for economic, social and environment contributions of the Company</i> <i>Dividends, PDF Page 15/187</i> Part III Item 9- Directors and Executive Officers, PDF pages 33-38/187 Attendance of Directors in 2020 Board Meetings SEC 17-A Annual Report as of December 31, 2020	
a. Corporate Objectives			
b. Financial performance indicators	Compliant		
c. Non-financial performance indicators	Compliant		
d. Dividend Policy	Compliant		
e. Biographical details (at least age, academic qualifications, date of first appointment, relevant experience, and other directorships in listed companies) of all directors	Compliant		
f. Attendance details of each director in all director's meetings held during the year	Compliant		
g. Total remuneration of each member of the board of directors	Compliant		

		Item 10. Executive Compensation, Document Pages 47-48, PDF Page 49 – 50 / 187	
2. The Annual Report contains a statement confirming the company's full compliance with the Code of Corporate Governance and where there is non-compliance, identifies and explains reason for each such issue.	Compliant	<u>SEC 20-IS Definitive Information Statement, May 2021</u> Compliance with the Best Practices on Corporate Governance, Document Page 68, PDF page 84.	
3. The Annual Report/Annual CG Report discloses that the board of directors conducted a review of the company's material controls (including operational, financial and compliance controls) and risk management systems.	Compliant	<u>Report of the Audit Committee for the Year Ended, December 31, 2020</u> <i>The Audit Committee assists the Board of Directors in carrying out its responsibilities as they relate to its oversight of the Company's internal control, internal audit function, legal and regulatory requirements, and corporate governance.</i>	
4. The Annual Report/Annual CG Report contains a statement from the board of directors or Audit Committee commenting on the adequacy of the company's internal controls/risk management systems.	Compliant	<u>Report of the Audit Committee for the Year Ended, December 31, 2020</u>	
5. The company discloses in the Annual Report the key risks to which the company is materially exposed to (i.e. financial, operational including IT, environmental, social, economic).	Compliant	<u>SEC 17-A Annual Report as of December 31, 2020</u> Item 1.B. Risks, Document Pages 6-8, PDF pages 8 –10/187	

		Notes to FS, Item 4- Risk Management Objectives and Policies, PDF Pages 108 – 125/187 <i>Underwriting Risks Credit Risk Liquidity Risk Market Risk</i>	
Principle 9: The company should establish standards for the appropriate selection of an external auditor, and exercise effective oversight of the same to strengthen the external auditor's independence and enhance audit quality.			
Recommendation 9.1			
1. Audit Committee has a robust process for approving and recommending the appointment, reappointment, removal, and fees of the external auditors.	Compliant	<u>Revised Audit Committee Charter</u> Authority, Item ©(4), Document Page 3, PDF Page 3/10 <i>The Audit Committee has the authority to recommend the appointment and compensation of the independent external auditor and oversee their work performance.</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.	Compliant	<u>SEC Form 17-C Matters Approved by the Board dated April 29, 2021</u> Board approval on the appointment of external auditor upon recommendation of the Audit Committee and subject to	
3. For removal of the external auditor, the reasons for removal or change are disclosed to the regulators and the	Compliant	stockholders' ratification during the annual meeting.	

public through the company website and required disclosure		SEC 20-IS Definitive Information Statement, May 2021 , item 18 (b) (4) Voting Procedures, Appointment of Independent External Auditors, Document page 38, PDF page 54	
Supplement to Recommendation 9.1			
1. Company has a policy of rotating the lead audit partner every five years.	Compliant	<p>SEC 20-IS Definitive Information Statement, May 2021, Item 7 (a), Independent Public Accountant, Document Page 28, PDF Page 44</p> <p>Mr. Randy Tireso F. Lapidez from KPMG R.G. Manabat & Co. is the assigned engagement partner for the ensuing year.</p> <p><i>Conformably with SRC Rule 68(3)(b)(iv), the Corporation's independent public accountant shall be rotated, or the handling partner shall be changed, every 5 years. A two-year cooling off period shall be observed in the re-engagement of the same signing partner or individual auditor.</i></p>	
Recommendation 9.2			
1. Audit Committee Charter includes the Audit Committee's responsibility on:	Compliant	Revised Audit Committee Charter Item F.4 – External Audit, PDF page 7/10	

<ul style="list-style-type: none"> i. assessing the integrity and independence of external auditors; ii. exercising effective oversight to review and monitor the external auditor's independence and objectivity; and iii. exercising effective oversight to review and monitor the effectiveness of the audit process, taking into consideration relevant Philippine professional and regulatory requirements. 			
<p>2. Audit Committee Charter contains the Committee's responsibility on reviewing and monitoring the external auditor's suitability and effectiveness on an annual basis.</p>	Compliant		
Supplement to Recommendations 9.2			
<p>1. Audit Committee ensures that the external auditor is credible, competent and has the ability to understand complex related party transactions, its counterparties, and valuations of such transactions.</p>	Compliant	Revised Audit Committee Charter Item F.4 – External Audit, PDF page 7/10	
<p>2. Audit Committee ensures that the external auditor has adequate quality control procedures.</p>	Compliant		
Recommendation 9.3			

<p>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.</p>	<p>Compliant</p>	<p>Revised Audit Committee Charter F4.f External Audit</p> <p><i>Evaluate and determine the non-audit work, if any, of the External Auditor, and periodically review the non-audit fees paid to the External Auditor in relation to the total fees paid to them and to the corporation's overall consultancy expenses.</i></p>	
<p>2. Audit Committee stays alert for any potential conflict of interest situations, given the guidelines or policies on non-audit services, which could be viewed as impairing the external auditor's objectivity.</p>	<p>Compliant</p>	<p>SEC 17-A Annual Report as of December 31, 2020, External Audit Fees, Document Page 30, PDF Page 32/187</p> <p><i>The Audit Committee has reviewed the audit services of External Auditor and approved audit-related and permitted non-audit services provided by the External Auditor to the Company and the related fees for such services, in accordance with existing policies, standards and regulatory requirements, and concluded that the non-audit fees are not significant to impair their independence.</i></p>	
<p>Supplement to Recommendation 9.3</p>			

<p>1. Fees paid for non-audit services do not outweigh the fees paid for audit services.</p>	<p>Compliant</p>	<p>SEC 17-A Annual Report as of December 31, 2020, External Audit Fees, Document Page 30, PDF Page 32/187</p> <p><i>Historical 3-year external audit fees showing that fees paid for non-audit services do not outweigh the fees paid for audit services.</i></p>	
<p>1. Company's external auditor is duly accredited by the SEC under Group A category.</p>	<p>Compliant</p>	<p>SEC Accredited List of External Auditor as of January 31, 2020, item 118</p> <p>Information on company's external auditor:</p> <ol style="list-style-type: none"> 1. Audit engagement partner: Mr. Tireso Randy F. Lapidez 2. Accreditation number: 1472-AR-1 3. Date Accredited: July 17, 2018 4. Expiry date of accreditation: July 6, 2021 5. Name, address, contact number of the audit firm: R.G Manabat & Co. KPMG Center, 6787 Ayala Avenue, Makati 1200 (02) 8885 7000 	

<p>2. Company's external auditor agreed to be subjected to the SEC Oversight Assurance Review (SOAR) Inspection Program conducted by the SEC's Office of the General Accountant (OGA).</p>	<p>Compliant</p>	<p>External Auditor agreed to be subjected to SOAR Inspection Program, but no inspection was done by the OGA yet:</p> <ol style="list-style-type: none"> 1. Date it was subjected to SOAR inspection, if subjected; External Auditor, the engagement team, not yet subjected to SOAR inspection 2. Name of the Audit firm: R.G. Manabat & Co. 3. Members of the engagement team inspected by the SEC: n/a 	
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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

<p>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.</p>	<p>Compliant</p>	<p><u>Nat Re 2020 Sustainability Report (SR)</u> disclosed the Company's non-financial information with emphasis on the management of economic, environment, social, and governance issues of its business.</p>	
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2. Company adopts a globally recognized standard/framework in reporting sustainability and non-financial issues.	Compliant	Nat Re 2020 Sustainability Report PDF Page 3, About Our Report , the Company adopts Global Reporting Initiative (GRI) Standards	
Principle 11: The company should maintain a comprehensive and cost-efficient communication channel for disseminating relevant information. This channel is crucial for informed decision-making by investors, stakeholders and other interested users.			
Recommendation 11.1			
1. Company has media and analysts' briefings as channels of communication to ensure the timely and accurate dissemination of public, material and relevant information to its shareholders and other investors.	Compliant	Nat Re Press Release SEC/PSE Disclosures <i>The Company disseminates and discloses material and relevant information through its website, press releases and disclosures to the PSE and SEC.</i> https://www.nat-re.com/ Nat Re Website	
Supplemental to Principle 11			
1. Company has a website disclosing up-to-date information on the following:			
a. Financial statements/reports (latest quarterly)	Compliant	SEC Form 17-A Annual Reports SEC 17-Q Quarterly Financial Reports Nat Re Reports and Financial Statements “or	

		<i>Financial Reports are posted in the Company website including the most recent 2020 Year-end Financial Statement.</i>	
b. Materials provided in briefings to analysts and media	Compliant	<u>Nat Re Press Release</u> <i>Materials provided to media are posted in the Company website, as well as disclosed to regulators.</i>	
c. Downloadable annual report	Compliant	<u>SEC Form 17-A Annual Reports</u> <i>The most recent 2020 Annual Report is posted and downloadable in the company website.</i>	
d. Notice of ASM and/or SSM	Compliant	<u>Nat Re Notice of 2021 Annual Stockholders' Meeting</u> <u>Nat Re Notice of 2020 Annual Stockholders' Meeting</u> <i>Notice of Annual Stockholders Meeting, as well as its disclosure to regulators, are posted in the company website.</i>	
e. Minutes of ASM and/or SSM	Compliant	<u>Draft Minutes of August 7, 2020 Annual Stockholders' Meeting</u> <u>Signed Minutes of June 27, 2019 Annual Stockholders' Meeting</u>	

		<i>Minutes of Annual Stockholder Meetings are posted in the company website.</i>	
f. Company's Articles of Incorporation and By-Laws	Compliant	<u>Amended Articles of Incorporation</u> <u>Amended By-Laws</u> <i>The Company's Amended Articles of Incorporation and By-Laws are posted in the company website.</i>	
Additional Recommendation to Principle 11			
1. Company complies with SEC-prescribed website template.	Compliant	<u>Nat Re Corporate Governance Webpage</u> <i>Our Company website includes webpages on Corporate Governance in compliance with SEC-prescribed website templates.</i>	
Internal Control System and Risk Management Framework			
Principle 12: To ensure the integrity, transparency and proper governance in the conduct of its affairs, the company should have a strong and effective internal control system and enterprise risk management framework.			
Recommendation 12.1			
1. Company has an adequate and effective internal control system in the conduct of its business.	Compliant	<u>Report of the Audit Committee for the Year Ended, December 31, 2020</u> <i>The Report of the Audit Committee is issued yearly, confirming compliance with the Audit Committee Charter which includes the evaluation of the system of internal control.</i>	

		<p><u>Revised Audit Committee Charter</u> Item F. Responsibilities, PDF Page 4 – 9 / 10 <i>One of the responsibilities of the Audit Committee is to evaluate the system of internal control. The committee meets at least four (4) times a year.</i></p> <p><u>Internal Audit Charter</u> <i>Internal Audit (IA) will work closely with Management to identify and assess risk and control. IA will also coordinate with and provide oversights of other control and monitoring functions.</i></p> <p><u>Revised Manual on Corporate Governance</u> Internal Control System, PDF Page 29</p>	
<p>2. Company has an adequate and effective enterprise risk management framework in the conduct of its business.</p>	<p>Compliant</p>	<p><u>Nat Re Risk Management Framework</u> <i>It describes Nat Re's ERM and sets out the requirements for management in generating risk management actions.</i></p>	

		<p><u>Risk Oversight Committee Charter</u>, PDF Page 4 / 5 <i>The Charter sets the Risk and Oversight Committee's responsibilities in the risk management processes.</i></p> <p><i>The Committee meets at least once every quarter.</i></p> <p><u>SEC 17-A Annual Report as of December 31, 2020</u> – Financial Statements, Risk Management Objectives and Policies, PDF Page 108-125/187</p> <p><i>The most significant financial risks to which the Company may be exposed to are Underwriting Risk, Credit Risk, Liquidity Risk and Market Risk.</i></p>	
Supplement to Recommendations 12.1			
<p>1. Company has a formal comprehensive enterprise-wide compliance program covering compliance with laws and relevant regulations that is annually reviewed. The program includes appropriate training and awareness initiatives to facilitate understanding, acceptance and compliance with the said issuances.</p>	<p>Compliant</p>	<p><u>Compliance Charter</u>, Responsibilities, PDF Pages 2-4 / 5</p> <p><i>Compliance Unit oversees and manages compliance issues within the Company and ensures that the Company complies with regulatory requirements and that the Company and its employees</i></p>	

		<p><i>comply with internal policies and procedures.</i></p> <p><u>Revised Audit Committee Charter</u> Audit Committee Responsibility on Compliance, item F.5 PDF Page 8/10</p> <p><i>The Audit Committee reviews the effectiveness of the system for monitoring compliance with laws and regulations, also the findings of any examinations by regulatory agencies.</i></p>	
Optional: Recommendation 12.1			
<p>1. Company has a governance process on IT issues including disruption, cyber security, and disaster recovery, to ensure that all key risks are identified, managed and reported to the board.</p>	Compliant	<p><u>Corporate Information Security Policy</u></p> <p><i>The Company recognizes that information is a critical business asset, and that our ability to manage, control and protect this asset will have a direct and significant impact on our future success.</i></p> <p><u>Business Continuity Plan</u> <i>Currently, we have put in place our Business continuity plan and finalizing our disaster recovery plan.</i></p>	
Recommendation 12.2			

<p>1. Company has in place an independent internal audit function that provides an independent and objective assurance, and consulting services designed to add value and improve the company's operations.</p>	<p>Compliant</p>	<p>Internal Audit Charter, Purpose, PDF page 3/9</p> <p><i>Internal Audit Function is established by the Board to provide independent, objective assurance, and reports to the Audit Committee at least on a quarterly basis.</i></p>	
Recommendation 12.3			
<p>1. Company has a qualified Chief Audit Executive (CAE) appointed by the Board.</p>	<p>Compliant</p>	<p>Revised Audit Committee Charter</p> <p>Internal Audit Charter, Responsibilities, PDF Pages 6/9</p> <p><i>The scope of the internal audit function encompasses, but is not limited to, the examination and evaluation of the adequacy and effectiveness of the organization's governance, risk management, and internal process, as well as the quality of performance in carrying out assigned responsibilities to achieve the organization's stated goals and objectives.</i></p> <p>Annual Corporate Governance Report 2016, Internal Audit – Role, Scope and Internal Audit Function, PDF Page 46 / 67</p>	

		<p><i>Role and scope of internal audit work were provided for the Head of Internal Audit, Mr. Mark Quintin G. Nunez.</i></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>	Compliant	<p>Internal Audit Charter, Periodic Assessment</p> <p><i>The CAE will periodically report to Management and Audit Committee on the internal audit activity's purpose, authority, and responsibility, as well as performance relative to its plan.</i></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 activity.</p>	Compliant	<p>Revised Audit Committee Charter Item F. Responsibilities, (2) Internal Control, PDF Page 6/10</p> <p>We have an Internal Audit Function, headed by Mark Quintin Nunez.</p> <p><i>One of the responsibilities of the Audit Committee is to monitor, oversee and evaluate internal audit activity and External Auditors as these duties and responsibilities relate to the Company's processes for controlling its operations.</i></p>	

Recommendation 12.4			
1. Company has a separate risk management function to identify, assess and monitor key risk exposures.	Compliant	<p>Risk Oversight Committee Charter, Purpose, PDF Page 3 / 5 <i>The Risk Oversight Committee has been established by the Board to oversee the development and monitoring of the Company's risk management program.</i></p> <p>Enterprise Risk Management Policy Framework, Organization and Governance – Risk Officer, page 4/13</p>	
Supplement to Recommendation 12.4			
1. Company seeks external technical support in risk management when such competence is not available internally.	Compliant	<p>Risk Oversight Committee Charter, Authority, PDF Page 3/5</p> <p><i>Obtain outside legal or other independent professional advice at Company's expense if necessary.</i></p>	
Recommendation 12.5			
1. In managing the company's Risk Management System, the company has a Chief Risk Officer (CRO), who is the ultimate champion of Enterprise Risk Management (ERM).	Compliant	<p>SEC 17-A Annual Report as of December 31, 2020 <i>Regina S. Ramos, Vice President and Head of Risk and Compliance, PDF Page 33 / 187</i></p> <p>Enterprise Risk Management Policy Framework, Organization and</p>	

		<p>Governance – Risk Officer (5.2), PDF page 4/13</p> <p><i>The Risk Officer is responsible for monitoring the Company's adoption and implementation of the ERM Framework and related policies and ensuring that the risk management process is aligned with the strategy and corporate objectives of Nat Re.</i></p> <p>Risk Oversight Committee Charter</p>	
<p>2. CRO has adequate authority, stature, resources and support to fulfill his/her responsibilities.</p>	Compliant	<p>Enterprise Risk Management Policy Framework, Organization and Governance – Risk Officer, (5.2) PDF Page 4/13</p> <p><i>The Risk Officer must be independent from operations and have unrestricted access to all staff, systems, and information needed to perform the role.</i></p>	
Additional Recommendation to Principle 12			
<p>1. Company's Chief Executive Officer and Chief Audit Executive attest in writing, at least annually, that a sound internal audit, control and compliance system is in place and working effectively.</p>	Compliant	<p>Report of the Audit Committee for the Year Ended, December 31, 2020</p> <p><i>This report includes that a sound internal audit, control and compliance system is in place and working effectively.</i></p>	

Cultivating a Synergic Relationship with Shareholders			
<p>Principle 13: The company should treat all shareholders fairly and equitably, and also recognize, protect and facilitate the exercise of their rights.</p>			
<p>Recommendation 13.1</p>			
<p>1. Board ensures that basic shareholder rights are disclosed in the Manual on Corporate Governance.</p>	<p>Compliant</p>	<p>Revised Manual on Corporate Governance Promoting Shareholder Rights, PDF Page 32</p> <p><i>The Company should treat all shareholders fairly and equitably, and also recognize, protect and facilitate the exercise of their rights.</i></p>	
<p>2. Board ensures that basic shareholder rights are disclosed on the company's website.</p>	<p>Compliant</p>	<p>https://www.nat-re.com/ Website of National Reinsurance Corporation of the Philippines</p> <p><i>All information for stockholders are disclosed in our website.</i></p> <p>SEC 20-IS Definitive Information Statement, May 2021 Shareholder and Investor Relations, Document Page 69, PDF Page 85</p> <p><i>The Company has set-up communication channels that promote effective communication with its shareholders and the investing community. Aside from the regular reporting and</i></p>	

		<p>disclosures to the various regulating agencies such as the SEC, PSE and IC, the Company actively maintains its website that provides timely information updates on its governance, operational, new initiatives, programs or developments and financial performance. The Company has also designated Relations Officers to handle investor and shareholder queries and requests, and their contact information can easily be accessed through the Company's website.</p> <p><u>Investor Relations Officer</u> Mr. Santino U. Sontillano with email address at info@nat-re.com for investor relations concern</p>	
Supplement to Recommendation 13.1			
<p>1. Company's common share has one vote for one share.</p>	<p>Compliant</p>	<p><u>SEC 20-IS Definitive Information Statement, May 2021</u> Item 4, Voting Securities and Principal Holders Thereof, Document Page 2, PDF Pages 18</p> <p><i>(b) each share of outstanding common stock is entitled to one vote</i></p>	

		<p>Amended By-Laws, Election of Directors, Article II, Section 7, PDF Page 8/36</p> <p><i>One share, one vote is practiced.</i></p>	
<p>2. Board ensures that all shareholders of the same class are treated equally with respect to voting rights, subscription rights and transfer rights.</p>	Compliant	<p>Amended By-Laws, Election of Directors, Article II, Section 7, PDF Page 8/36</p> <p>Annual Corporate Governance Report 2016, Treatment of All Shareholders, PDF page 6 / 67</p> <p><i>The Company has only one class of shares.</i></p> <p>Revised Manual on Corporate Governance Promoting Shareholder Rights, PDF Page 32</p> <p><i>The Company should treat all shareholders fairly and equitably, and also recognize, protect and facilitate the exercise of their rights.</i></p>	
<p>3. Board has an effective, secure, and efficient voting system.</p>	Compliant	<p>Amended By-Laws, Election of Directors, Article II, Section 7, PDF Page 8/36</p> <p><i>The election of directors shall be by secret ballot.</i></p>	

		<p><u>SEC 20-IS Definitive Information Statement, May 2021</u> Annex B, Online Voting and Voting by Proxy, Document Pages 46-47, PDF Page 62 – 63</p> <p><u>Guidelines for On-Line voting.</u></p> <p><i>Stockholders may vote in absentia using the Online Voting Facility or by Proxy sent through email to asm@nat-re.com.</i></p>	
<p>4. Board has an effective shareholder voting mechanisms such as supermajority or “majority of minority” requirements to protect minority shareholders against actions of controlling shareholders.</p>	<p>Compliant</p>	<p><u>Amended By-Laws</u>, Stockholders Meeting, Quorum, Section 4, PDF Page 7/36</p> <p><i>A quorum at any meeting of the stockholders representing at least a majority of the outstanding capital stock except on those cases where the Corporation Code of the Philippines requires a greater proportion.</i></p> <p><u>SEC 20-IS Definitive Information Statement, May 2021</u> Annex B, Online Voting and Voting by Proxy, Document Pages 46-47, PDF Page 62 - 63</p> <p><i>Stockholders may vote in absentia using the Online Voting Facility or</i></p>	

		<p>by Proxy sent through email to asm@nat-re.com.</p> <p>Item 18.b Voting Procedure, item 55, approval on the increase of per diem vote required is majority of the outstanding common stock.</p>	
<p>5. Board allows shareholders to call a special shareholders' meeting and submit a proposal for consideration or agenda item at the AGM or special meeting.</p>	Compliant	<p><u>Amended By-Laws</u>, Stockholders Meeting, Special Stockholders Meeting, Article II, Section 2, PDF Page 6/36</p> <p>Special meeting of the Stockholders may be called at any time by resolution of the Board of Directors or upon written request of stockholders representing at least one third (1/3) of the outstanding capital stock of the Corporation, setting forth the purpose of such meeting in the notice.</p>	
<p>6. Board clearly articulates and enforces policies with respect to treatment of minority shareholders.</p>	Compliant	<p><u>Annual Corporate Governance Report 2016</u>, Respect for the Rights of Minority Shareholders and of Other Stakeholders, PDF page 6 / 67</p> <p>The Company has a mechanism that allows minority shareholders to influence board composition by</p>	

cumulative voting and nomination of independent directors.

Nat Re PSE/SEC Disclosures

All required information is fully disclosed through the submissions and filings made to the SEC and the PSE

The essence of corporate governance is transparency. The Board believes that the more transparent the internal workings of the corporation are, the more difficult it will be for Management and dominant stockholders to mismanage the corporation or misappropriate its assets. It is therefore essential that all material information about the corporation which could adversely affect its viability, or the interest of the stockholders should be publicly and timely disclosed. Such information includes, among others, earnings results, acquisition or disposition of assets, off balance sheet transactions, related party transactions, minimum public ownership, direct/ indirect remuneration of members of the Board and Management and other

		corporate disclosures required for reporting by the regulators.	
7. Company has a transparent and specific dividend policy.	Compliant	<p>SEC 20-IS Definitive Information Statement, May 2021 Dividends, Document page 66, PDF Page 82</p> <p><i>It is the Company's policy to declare dividends regularly with the pay-out determined by the Company's performance as well as the availability of unappropriated retained earnings for distribution.</i></p>	
Optional: Recommendation 13.1			
1. Company appoints an independent party to count and/or validate the votes at the Annual Shareholders' Meeting.	Compliant	<p>SEC Form 17-C Matters Approved by the Board dated February 24, 2021, Item 3</p> <p><i>Appointment of the auditing firm, KPMG R.G. Manabat & Co., Philippines, as board of canvassers for the 2021 annual stockholders meeting.</i></p>	
Recommendation 13.2			
1. Board encourages active shareholder participation by sending the Notice of Annual and Special Shareholders' Meeting with sufficient and relevant information at least 28 days before the meeting.	Compliant	<p>Nat Re Notice of 2021 Annual Stockholders' Meeting - April 22, 2021</p> <p><i>Annual Stockholders Meeting – June 23, 2021</i></p>	

		<p>Notice of meeting is disclosed to the regulatory body (PSE) 62 days prior to meeting date.</p> <p>The Notice of Meeting for the 2021 Annual Stockholders' Meeting was also published on in BusinessWorld on May 24 & 25, 2021 in print and online form, and in Philippine Daily Inquirer in May 24 the online form and May 25 & 26 in print form.</p>	
Supplemental to Recommendation 13.2			
1. Company's Notice of Annual Stockholders' Meeting contains the following information:	Compliant	<p>SEC 20-IS Definitive Information Statement, May 2021 , Item 5, Directors and Executive Officers, Document pages 3-10, PDF Page 21 -26, part of the Notice of Meeting, PDF pages 7-14</p> <p><i>Profile of directors are completely disclosed.</i></p>	
a. The profiles of directors (i.e., age, academic qualifications, date of first appointment, experience, and directorships in other listed companies)			
b. Auditors seeking appointment/re-appointment	Compliant	<p>SEC 20-IS Definitive Information Statement, May 2021 Independent Public Accountant, Item 7, Document page 28, PDF Page 44</p> <p><i>The auditing firm of KPMG R.G. Manabat & Co., Philippines will be recommended to the stockholders for appointment as the</i></p>	

		<i>Corporation's principal independent accountant for the fiscal year 2021.</i>	
c. Proxy documents	Compliant	<u>SEC 20-IS Definitive Information Statement, May 2021</u> Information Required in a Proxy Form, Document Pages 39-41, PDF pages 55 - 57	
Optional: Recommendation 13.2			
1. Company provides rationale for the agenda items for the annual stockholders meeting	Compliant	<u>Nat Re Notice of 2021 Annual Stockholders' Meeting</u> <i>Explanation of Agenda Items is included in the Notice of Annual Stockholders Meeting, PDF page 4-5</i>	
Recommendation 13.3			
1. Board encourages active shareholder participation by making the result of the votes taken during the most recent Annual or Special Shareholders' Meeting publicly available the next working day.	Compliant	<u>2020 Annual Stockholders Summary of Votes</u> <i>This report is disclosed to the PSE right after the meeting and publicly available the next working day.</i>	
2. Minutes of the Annual and Special Shareholders' Meetings were available on the company website within five business days from the end of the meeting.	Compliant	<u>Draft Minutes of August 7, 2020 Annual Stockholders' Meeting</u> <u>Signed Minutes of June 27, 2019 Annual Stockholders' Meeting</u>	

		<i>Draft Minutes of the current Annual Stockholders Meeting and signed minutes of previous ASM are available in our website within five business days from the end of the meeting.</i>	
Supplement to Recommendation 13.3			
1. Board ensures the attendance of the external auditor and other relevant individuals to answer shareholders questions during the ASM and SSM.	Compliant	<p><u>SEC 20-IS Definitive Information Statement, May 2021</u> <i>List of Directors, Officers and Stockholders who attended the 2020 Annual Stockholders' Meeting, Document Page 34, PDF Page 50</i></p> <p><i>External Auditor, Board and Officers were present to answer the questions of the stockholders.</i></p>	
Recommendation 13.4			
1. Board makes available, at the option of a shareholder, an alternative dispute mechanism to resolve intra-corporate disputes in an amicable and effective manner.	Compliant	<p><u>SEC 20-IS Definitive Information Statement, May 2021</u> <i>, Shareholder and Investor Relations, Document Page 69, PDF Page 85</i></p>	

<p>2. The alternative dispute mechanism is included in the company's Manual on Corporate Governance.</p>	<p>Compliant</p>	<p><i>The Company has designated an investor relations officer to handle investor and shareholder queries and requests, and his contact information can easily be accessed through the Company's website. Any further issue will be escalated either to the Management or Board of Directors or if necessary to the legal adviser for proper resolution.</i></p> <p>https://www.nat-re.com/contact-us/ https://www.nat-re.com/investor-relations/</p> <p><u>Revised Manual on Corporate Governance</u> Item 13.4 Promoting Shareholders Right, PDF Page 32</p>	
Recommendation 13.5			
<p>1. Board establishes an Investor Relations Office (IRO) to ensure constant engagement with its shareholders.</p>	<p>Compliant</p>	<p><u>Investor Relation's Officer - Mr. San Sontillano</u> <i>Nat Re's Investor Relations Officer is: Mr. Santino U. Sontillano, info@nat-re.com (e-mail address), 8988-7495 (contact number)</i></p>	
<p>2. IRO is present at every shareholder's meeting.</p>	<p>Compliant</p>	<p><u>Results of the August 7, 2020 Annual Stockholders' Meeting and Organizational Meeting</u>, Mr. Santino U. Sontillano, PDF page 6/7,</p>	

		<i>The Investor Relations Officer was present during the 2020 Annual Stockholders Meeting.</i>	
Supplemental Recommendations to Principle 13			
1. Board avoids anti-takeover measures or similar devices that may entrench ineffective management or the existing controlling shareholder group	Compliant	<u>Amended By-Laws</u> Maximum Limit of Shareholding, Article I, Section 5, PDF page 4/36 <i>In order to avoid creating a controlling interest group in the Corporation, no stockholder shall own or acquire more than thirty percent (30%) of the outstanding capital stock of the Corporation.</i>	
2. Company has at least thirty percent (30%) public float to increase liquidity in the market.	Compliant	<u>Public Ownership Report as of March 31, 2021</u> , PDF Page 4/4 <i>Public Ownership Percentage is 47.63%</i>	
Optional: Principle 13			
1. Company has policies and practices to encourage shareholders to engage with the company beyond the Annual Stockholders' Meeting	Compliant	<u>SEC 20-IS Definitive Information Statement, May 2021</u> Shareholder and Investor Relations, Document Page 69, PDF Page 85 <i>The Company has set-up communication channels that</i>	

promote effective communication with its shareholders and the investing community. Aside from the regular reporting and disclosures to the various regulating agencies such as the SEC, PSE and IC, the Company actively maintains its website that provides timely information updates on its governance, operational, and financial performance. The Company has also designated relations officers to handle investor and shareholder queries and requests, and their contact information can easily be accessed through the Company's website.

[Investor Relation's Officer - Mr. San Sontillano](#)

Nat Re's Investor Relations Officer is: Mr. Santino U. Sontillano, info@nat-re.com (e-mail address), 8988-7495 (contact number)

[Communications Officer – Mr. Franz dela Fuente](#)

Nat Re's Communications Officer is Mr. Franz dela Fuente, franz.delafuente@nat-re.com (email address)

<p>2. Company practices secure electronic voting in absentia at the Annual Shareholders' Meeting.</p>	<p>Compliant</p>	<p>Amended By-Laws, Election of Directors, Article II, Section 7, PDF Page 8/36</p> <p><i>The election of directors shall be by secret ballot.</i></p> <p><i>Electronic voting in absentia is to be adopted for this June 23, 2021 ASM as this meeting is to be held virtually by remote communication (zoom webinar).</i></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

<p>1. Board identifies the company's various stakeholders and promotes cooperation between them and the company in creating wealth, growth and sustainability.</p>	<p>Compliant</p>	<p>SEC 20-IS Definitive Information Statement, May 2021 Shareholder and Investor Relations, Document Page 69, PDF Page 85</p> <p><i>The Company has set-up communication channels that promote effective communication with its shareholders and the investing community. Aside from the regular reporting and disclosures to the various regulating agencies such as the SEC, PSE and IC, the Company actively maintains its website that provides</i></p>	
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		<p><i>timely information updates on its governance, operational, and financial performance. The Company has also designated relations officers to handle investor and shareholder queries and requests, and their contact information can easily be accessed through the Company's website.</i></p> <p>Nat Re 2020 Sustainability Report Reports on Company's contribution to the Economy, Society and the Environment.</p>	
Recommendation 14.2			
<p>1. Board establishes clear policies and programs to provide a mechanism on the fair treatment and protection of stakeholders.</p>	<p>Compliant</p>	<p>Amended By-Laws, Special Stockholders' Meeting, Article II, Section 2, PDF Page 6/36</p> <p><i>Stockholders upon written request representing at least one third (1/3) of the outstanding capital stock of the Corporation setting forth the purpose of such meeting in the notice may call a special meeting at any time.</i></p> <p>Code of Ethics Code of Conduct</p>	
Recommendation 14.3			

<p>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.</p>	<p>Compliant</p>	<p>https://www.nat-re.com/investor-relations/#analyst Investor Relations Officer – Mr. Santino U. Sontillano, info@nat-re.com (email), 8988-7495 (contact number)</p> <p><u>Communications Officer – Mr. Franz dela Fuente</u></p> <p>Nat Re's Communications Officer is Mr. Franz dela Fuente, franz.delafuente@nat-re.com (email address)</p> <p><u>Amended By-Laws</u>, Article II, Section 2, Special Stockholders' Meeting, PDF Page 6/36</p> <p><i>Stockholders upon written request representing at least one third (1/3) of the outstanding capital stock of the Corporation setting forth the purpose of such meeting in the notice may call a special meeting at any time.</i></p> <p>Policies in Place: <u>Whistle Blower Policy</u> <u>Anti-Bribery and Corruption Policy</u> <u>Anti-Fraud Policy and Program</u> <u>Code of Ethics</u></p>	
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		Code of Conduct	
Supplement to Recommendation 14.3			
1. Company establishes an alternative dispute resolution system so that conflicts and differences with key stakeholders is settled in a fair and expeditious manner.	Compliant	SEC 20-IS Definitive Information Statement, May 2021 Shareholder and Investor Relations, Document Page 69, PDF Page 85 Investor Relations Contact Information The Company has designated an investor relations officer to handle investor and shareholder queries, requests or complaints, and his contact information can easily be accessed through the Company's website. Any further issue will be escalated either to the Management or Board of Directors or if needed to the legal advisers for proper resolution.	
Additional Recommendations to Principle 14			
1. Company does not seek any exemption from the application of a law, rule or regulation especially when it refers to a corporate governance issue. If an exemption was sought, the company discloses the reason for such action, as well as presents the specific steps being taken to finally comply with the applicable law, rule or regulation.	Compliant	<i>The Company does not seek any exemption from the application of a law, rule or regulation especially when it refers to any corporate governance issue.</i> SEC 20-IS Definitive Information Statement, May 2021	

		<p>Compliance with the Best Practices on Corporate Governance, Document Page 68, PDF Page 84</p> <p>Nat Re, being a publicly listed company (PLC), is in full compliance with the rules and regulations of the Securities and Exchange Commission, Philippine Stock Exchange, Insurance Commission, and other regulatory agencies.</p>	
2. Company respects intellectual property rights.	Compliant	<p><u>Certificate of Nat Re Trademark issued by Intellectual Property of the Philippines</u></p> <p><i>The Company registers its intellectual property rights and respects the intellectual property rights of others.</i></p> <p><u>Amended By-Laws</u>, Article IV, Section 8, Compliance Officer, PDF pages 17-18/36</p> <p><i>Compliance Officer monitors compliance with the provisions of government regulatory and reportorial requirements and reports violations of non-compliance with such to the Board</i></p>	

		<i>of Directors through the Chairman of the Board.</i>	
Optional: Principle 14			
1. Company discloses its policies and practices that address customers' welfare	Compliant	<p><u>Annual Corporate Governance Report 2016</u> H. Role of Stakeholders Customers' Welfare, Item H.1, PDF Page 50 / 67</p> <p><i>The Company is committed in providing and maintaining a safe, secure and healthy work environment.</i></p> <p><u>Nat Re 2020 Sustainability Report</u> Approach to Stakeholders Key Topics and Concerns Raised PDF Page 9/20</p>	
2. Company discloses its policies and practices that address supplier/contractor selection procedures	Compliant	<p><u>Annual Corporate Governance Report 2016</u>, H. Role of Stakeholders Supplier/Contractor Selection Practice, Item H.1, PDF Page 50 / 67</p> <p><u>Procurement Policy</u> <i>The Company exercises reasonable and prudent professional judgment when dealing with clients.</i></p> <p><u>Nat Re 2020 Sustainability Report</u> Customer Privacy, PDF page 17/25</p>	

		Customer Assistance, Business Support and Services, document page 5, PDF PAGE 4/25	
Principle 15: A mechanism for employee participation should be developed to create a symbiotic environment, realize the company's goals and participate in its corporate governance processes.			
Recommendation 15.1			
1. Board establishes policies, programs and procedures that encourage employees to actively participate in the realization of the company's goals and in its governance.	Compliant	<p>SEC 20-IS Definitive Information Statement, May 2021 Employee Relations, Document pages 69-70, PDF Page 85 - 86</p> <p><i>The Company explicitly articulates its recognition and protection of the rights and interests of its employees through its Employee Manual of Policies and Procedures. The manual also governs employee related matters to ensure uniformity and consistency of interpretation and implementation, promote harmonious employer-employee relationship as well as set-up guidelines in protecting the use of material inside information.</i></p> <p>Nat Re 2020 Sustainability Report People, PDF Pages 12- 15 / 25</p>	
Supplement to Recommendation 15.1			
1. Company has a reward/compensation policy that accounts for the	Compliant	Annual Corporate Governance Report , Company's Rewards /	

<p>performance of the company beyond short-term financial measures.</p>		<p>Compensation Policy, Item 3(d), PDF Page 52/67</p> <p><u>Revised Performance Appraisal Form 2020</u></p> <p><i>The company has its policy on reward / compensation to recognize employees' performance.</i></p> <p><i>The Company's Board of Directors approved in its board meeting last December 2018 the granting to all qualified employees of a performance-based incentive bonus (PIB) starting with the applicable year 2019. This is differentiated from the Mid-Year Bonus (MYB) that employees currently enjoy in that the new performance-based incentive bonus payout is subject to the Company's meeting its targets for the year and to individual employee performance evaluation. The aim of this bonus program is to reward employee contribution to the bottom line and to create a performance-driven and accountability-driven culture that will help ensure the sustainability of the Company.</i></p>	
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		<p>SEC 20-IS Definitive Information Statement, May 2021 Employee Relations, Document Page 69-70, PDF Page 86 - 86 <i>The Company provides post-employment employee benefits through a defined benefit plan and various contribution plans. Employees also participate in various industry and regulatory trainings and seminars that are designed for their career advancement and functional development and are linked towards shareholder value creation.</i></p> <p>Nat Re 2020 Sustainability Report People, PDF Pages 12- 15 / 25</p>	
<p>2. Company has policies and practices on health, safety and welfare of its employees.</p>	<p>Compliant</p>	<p>Nat Re 2020 Sustainability Report Health, Safety and Welfare of Employees; Health Promotions, PDF Page 14/25</p> <p>Health Safety and Welfare of Employees</p> <p><i>The Company is committed in providing and maintaining a safe, secure and healthy work environment. In turn, the employee has the responsibility to work safely,</i></p>	

	<p><i>to keep work areas and common areas in the company neat and clean, not just to reduce the chances of injury but also to make the office a more attractive and pleasant place to work in.</i></p> <p><i>Employees are urged to report to their immediate superior or to the General Services Department accidents or any condition or practice which is unsafe, whether or not these result in personal injury or no matter how minor they might seem to be. (Reference – Code of Conduct, Policy Provision, Rules of Conduct, Health, Safety, Security and Proper Use of Company Assets, Section III.11.3, page 6)</i></p> <p><i>In order to ensure the promotion of employee health and well-being, the company offers health care benefits covered by the health insurance provider of the Company.</i></p> <p><i>Employees are involved in deciding, planning and implementing employee activities and programs such as sports and summer outing events, company parties and employee uniform.</i></p>	
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		<i>(Reference – Annual Corporate Governance Report, page 49)</i>	
3. Company has policies and practices on training and development of its employees.	Compliant	<p><u>Employee Training and Development</u></p> <p><i>New employees are given an orientation on the Company's policies and procedures and made to undergo basic insurance and reinsurance training. Depending on their work assignment and employee development plans, employees undergo or are sent to specialized training courses.</i></p> <p><i>(Reference – Annual Corporate Governance Report, PDF page 52/67)</i></p> <p><u>Nat Re 2020 Sustainability Report</u> <i>People/Training and Education, PDF Page 14/25</i></p> <p><u>Revised Performance Appraisal Form 2020</u> <i>Employee development is also part of the performance planning template / system.</i></p>	

Recommendation 15.2

<p>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.</p>	<p>Compliant</p>	<p><u>Anti-Bribery and Corruption</u></p> <p><i>This document outlines the Company's policy in observing and upholding its position against bribery and corruption.</i></p>	
<p>2. Board disseminates the policy and program to employees across the organization through trainings to embed them in the company's culture.</p>	<p>Compliant</p>	<p><u>Employee Training and Development</u></p> <p><i>New employees are given orientation on the Company's policies and procedures and made to undergo basic insurance and reinsurance training. Depending on their work assignment and employee development plans, employees undergo or are sent to specialized training courses. (Reference – Annual Corporate Governance Report, page 50)</i></p> <p><u>Nat Re 2020 Sustainability Report</u> <i>People/Training and Education, PDF Page 14/25</i></p>	
<p>Supplement to Recommendation 15.2</p>			
<p>1. Company has clear and stringent policies and procedures on curbing and penalizing employee involvement in offering, paying and receiving bribes.</p>	<p>Compliant</p>	<p><u>Anti-Bribery and Corruption Policy</u></p>	
<p>Recommendation 15.3</p>			


<p>1. Board establishes a suitable framework for whistleblowing that allows employees to freely communicate their concerns about illegal or unethical practices, without fear of retaliation</p>	<p>Compliant</p>	<p><u>Whistleblower Policy</u></p> <p><i>Protections for retaliation are enumerated in Section IV of the policy.</i></p> <p><i>The whistleblower may report formally or anonymously to any of the following designated officers:</i></p> <ul style="list-style-type: none"> - <i>Head of Human Resources</i> - <i>Head of Risk and Compliance</i> - <i>Head of Internal Audit</i> - <i>Corporate Secretary or Assistant Corporate Secretary</i> <p><i>Under extraordinary circumstances, the whistleblower may also course the complaint through other reporting lines, like the President or the Chairman of the Audit Committee.</i></p>	
<p>2. Board establishes a suitable framework for whistleblowing that allows employees to have direct access to an independent member of the Board or a unit created to handle whistleblowing concerns.</p>	<p>Compliant</p>	<p><u>Whistleblower Policy</u></p> <p><i>Reporting Channels in Section VII of the Policy are provided and that the employees have direct access to an independent official.</i></p>	
<p>3. Board supervises and ensures the enforcement of the whistleblowing framework.</p>	<p>Compliant</p>	<p><u>Whistleblower Policy</u></p> <p><i>The evaluation team reviews the report and submits its findings</i></p>	


		<i>directly to the Board's Audit Committee for disposition.</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			
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.	Compliant	Nat Re 2020 Sustainability Report Oasis Project Developments SEC 20-IS Definitive Information Statement, May 2021 , Corporate Social Responsibility, Document Page 70, PDF Page 86 The Company's efforts are currently focused on mitigating the consequences of natural catastrophes. It participates in conferences on this subject and is working with the Philippine non-life insurance industry to put in place mitigation measures. The Company also participates jointly in community related projects undertaken by other entities from time to time. Other environment-related and community involvement programs are being facilitated to further contribute to	

		the insurance industry and the Philippine society.	
Optional: Principle 16			
1. Company ensures that its value chain is environmentally friendly or is consistent with promoting sustainable development	Compliant	Nat Re 2020 Sustainability Report Oasis Project Developments Nat Re Advocacies	
2. Company exerts effort to interact positively with the communities in which it operates.	Compliant	<p><i>At Nat Re, providing reinsurance capacity is not our only business. We believe that we do ultimately entails giving greater protection to the insuring public and helping them recover financially after natural disasters and other crises. This is why we value forging meaningful relationships with private and public sectors partners in the sphere of disaster risk financing and insurance. By leveraging our combined resources and knowhow, we can create effective and affordable solutions for a more disaster-resilient public.</i></p>	

CERTIFICATION


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

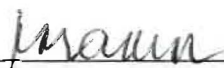

WILFREDO C. MALDIA
 CHAIRMAN OF THE BOARD


ALLAN R. SANTOS
 PRESIDENT & CEO


REX MARIA A. MENDOZA
 INDEPENDENT DIRECTOR


ERMILANDO D. NAPA
 INDEPENDENT DIRECTOR


MEDEL T. NERA
 INDEPENDENT DIRECTOR

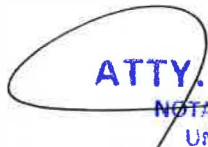

REGINA S. RAMOS
 VICE PRESIDENT, HEAD OF RISK & COMPLIANCE


NOEL A. LAMAN
 CORPORATE SECRETARY

SUBSCRIBED AND SWORN to me this MAY 28 2021, 2021, affiants exhibited to me their Passport Numbers, as follows:

Name	Passport Number	Date of Issue	Place of Issue
Wilfredo C. Maldia	P2574264A	26 April 2017	DFA - Manila
Allan R. Santos	P24187508	03 July 2019	DFA – NCR East
Rex Maria A. Mendoza	P6999664A	02 May 2018	DFA - Manila
Ermilando D. Napa	P2512053B	11 July 2019	DFA - Manila
Medel T. Nera	P12718624	19 December 2016	DFA - Manila
Regina S. Ramos	P4648380A	07 October 2017	DFA – NCR South
Noel A. Laman	PO578138B	07 February 2019	DFA - Manila

Doc. No. 28
 Page No. 01
 Book No. 1X
 Series of 2020.


ATTY. HENRY D. ADASA
 NOTARY PUBLIC CITY OF MANILA
 UNTIL DECEMBER 31, 2021
 NOTARIAL COMMISSION: 2021-097 MLA
 BSP NO. 100920 - 01/03/2021, PASIG
 PTR NO. 9121087 - 01/03/2021 MLA
 ROLL NO. 20670, TIN: 172-528-620
 MCLE COMPL. NO. VII-0000165
 MAN DECA HOME MANILA, B-2, UNIT 355

NAT RE'S ROLE IN THE PHILIPPINE CATASTROPHE INSURANCE FACILITY (PCIF)

Circular Letter (CL) No.:	2020-72
Date:	13 June 2020
Amending:	None

CIRCULAR LETTER

TO : ALL INSURANCE/REINSURANCE COMPANIES, INSURANCE AND REINSURANCE BROKERS, MUTUAL BENEFIT ASSOCIATIONS, PRE-NEED COMPANIES AND HEALTH MAINTENANCE ORGANIZATIONS

SUBJECT : SUBMISSION OF THE ANNUAL CORPORATE GOVERNANCE REPORT (ACGR)

Section 8 – SPECIAL PROVISION FOR NON-LIFE INSURANCE AND PROFESSIONAL REINSURANCE COMPANIES.

All non-life insurance and professional reinsurance companies are mandated to provide additional information on the companies' policies and programs on its participation in the Philippine Catastrophe Insurance Facility, if applicable.

In compliance with the above requirement, we present below the role/participation of Nat Re in the Philippine Catastrophe Insurance Facility.

The IC, PIRA and NatRe have signed a MoU in January 2020, agreeing on operationalization of this proposal and are currently working to detail the implementation plan and technical requirements of setting up the PCIF.

The Facility will be **managed and operated by NatRe**. Under the proposed program, all non-life insurance companies shall cede an agreed portion of each and every catastrophe risk they write to NatRe, which in turn, shall redistribute the risks to subscribing authorised insurance companies. Both the cessions to NatRe and the corresponding retrocession to participating companies shall be based on the agreed technically sustainable rates. Risks ceded to subscribing companies, shall then be protected by an excess of loss reinsurance program placed with global reinsurance market. To ensure the financial capability of the Facility, subscriptions of participating companies shall be backed by Security Deposits in the form of government securities held in trust by Nat Re.

Insurers cede a portion of catastrophe risks at agreed technically sufficient rates to Nat Re, which retrocedes it back to insurers via Quota Share according to each company's appetite, financial strength and proportion of premiums ceded to the facility. A reinsurance treaty (Common Account Excess of Loss) placed in the global market shall protect the domestic retention on account of all participating companies, who shall bear its cost. A portion of the annual underwriting surpluses shall be accumulated in a Catastrophe Reserve Fund.

Recognizing the volatile nature of catastrophe losses, the program proposes the creation of a mechanism to allow the build-up of reserves during profitable years in order to reduce the sustainable cost of catastrophe insurance products and build the industry's financial capacity to absorb catastrophe risks over time. This will be done by setting aside a portion of underwriting surpluses during profitable years towards a Catastrophe fund. The fund may be used for settlement of claims during high loss years, for public awareness programs to promote catastrophe awareness and/or investments in research and development around catastrophe risk mitigation and prevention.

An **Oversight Committee** will be the main governance structure, comprising the stakeholders responsible for the vision and sustainability of the Facility. The Oversight Committee will be responsible for standardisation of claims procedures and policies amongst which are setting operating policies, pricing sustainability, product design, underwriting policy, reinsurance cover and claims process/procedures.

The **Insurance Commission** will supply the next level up of governance, ensuring compliance of the Facility and its members with the rules and protocols of the Facility. To further support this undertaking, the Commission has issued its **IC CL No. 2021-27** for the "Strict Implementation Of A Sustainable Catastrophe Insurance Premium Rates And The Establishment Of The Philippine Catastrophe Insurance Facility (PCIF)" dated 12 April 2021. The circular directs the implementation of the PCIF by April 2022.

May 28 2021