

SEC FORM - I-ACGR

INTEGRATED ANNUAL CORPORATE GOVERNANCE REPORT

1. For the fiscal year ended **December 31, 2018**
2. SEC Identification Number **80118** 3. BIR Tax Identification No. **000-480-869-000**
4. Exact name of issuer as specified in its charter **National Reinsurance Corporation of the Philippines** doing business under the name and style of Nat Re: **Philippine National Reinsurance Company: PhilNaRe**
5. **Makati City, Philippines**
Province, Country or other jurisdiction of
incorporation or organization
6. (SEC Use Only)
Industry Classification Code: **Insurance**
7. **31st Floor, BPI Philamlife Makati 6811 Ayala Avenue Makati City** **1227**
Address of principal office Postal Code
8. **988-7400**
Issuer's telephone number, including area code
9. **NA**
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 31,2018

	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 Form 17-A Annual Report as of December 31, 2018</u>, Business Experience of the Directors, PDF Page 35/173</p> <p><i>For further reference of Directors profile</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	<u>Board of Directors</u>	<i>Mr. Allan R. Santos, President & CEO is the only executive director of the Company while the nine (9) directors are all regular directors and three (3) are independent directors.</i>
Recommendation 1.3			
1. Company provides in its Board Charter and Manual on Corporate Governance a policy on training of directors.	Compliant	<u>SEC Form 17-A Annual Report as of December 31, 2018</u> , Annual Continuing Training of Directors and Key officers, PDF page 41-44/173	<i>We disclosed in our 2018 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 other relevant training program, etc.</i>
2. Company has an orientation program for first time directors.	Compliant	<u>Nat-Re Board Book Part-1</u> <u>Nat-Re Board Book Part-2</u> <u>Nat-Re Board Book Part-3</u> <u>Nat-Re Board Book Part-4</u>	

		<p>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.</p> <p>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.</p>	
3. Company has relevant annual continuing training for all directors.	Compliant	SEC Form 17-A Annual Report as of December 31, 2018 , Annual Continuing Training of Directors and Key Officers, PDF Page 41-44/173	
Recommendation 1.4			
1. Board has a policy on board diversity.	Compliant	<p>Amended By-Laws, Article III, Section 2, Qualification of Directors, PDF Page 9/28</p> <p>Our policy on diversity is defined under our By-laws on qualification of directors.</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>	
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></p> <p><u>Amended By-Laws</u>, Article III, Section 2, Qualification of Directors, PDF Page 9/28</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>	
2. Company has a policy on and discloses measurable objectives for implementing its board diversity and reports on progress in achieving its objectives		<p><u>Profile and business experience of our directors</u></p> <p>Currently, we have 5 female directors out of 13 directors.</p> <p>Backgrounds and business experiences of our directors are very diverse as some are bankers,</p>	

		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>Definitive Information Statement, Annual Continuing Training of Directors and Key Officers – Atty. Noel A. Laman (CorSec) and Atty. Ma. Pilar M. Pilares-Gutierrez (Assistant Corporate Secretary)</u>, item 14 & 15, pages 22/253</p> <p>Attended CG training for 2018.</p>	
Optional: Recommendation 1.5			
1. Corporate Secretary distributes materials for board meetings at least five business days before scheduled meeting.	Compliant	<p><u>Notice of Board Meeting - Excerpts</u></p> <p>We distribute meeting materials at least (5) days before the schedule of Board meetings.</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>The Company's Compliance Officer, Regina S. Ramos, is Vice President & Head, Risk and Compliance.</p> <p>She is not a member of the Board of Directors, but she directly reports to the Governance and Risk Oversight Committees of the Board.</p> <p><u>Amended By-Laws</u>, Article 4, Section 8, PDF Page 18/28</p>	

		<i>This section describes the duties and responsibilities of the Compliance Officer</i>	
3. Compliance Officer is not a member of the board.	Compliant	<u>Regina S. Ramos is the Compliance Officer</u> <i>Regina S. Ramos is not a member of the Board</i> <u>Board of Directors</u>	
4. Compliance Officer attends training/s on corporate governance.	Compliant	<u>SEC Form 17-A Annual Report as of December 31, 2018</u> , Annual Continuing Training Attended by Officers, Regina S. Ramos, PDF Page 45/173, item 19 <i>Regina S. Ramos attended the ASEAN Corporate Governance for Publicly Listed Companies and Corporate Governance Conference on Sustainability</i>	

Principle 2: The fiduciary roles, responsibilities and accountabilities of the Board as provided under the law, the company's articles and by-laws, and other legal pronouncements and guidelines should be clearly made known to all directors as well as to stockholders and other stakeholders.

Recommendation 2.1

1. Directors act on a fully informed basis, in good faith, with due diligence and care, and in the best interest of the company.	Compliant	Evidence of director performance of duties include the following:	
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		<p><u>Attendance of Directors in 2018 Board Meetings</u>, Certification of director attendance for the year 2018</p> <p><u>SEC Form 17 C disclosure on Matters approved by the Board during March 15, 2018 BOD meeting</u> <i>Disclosure showed several resolutions approved during the March 15, 2018 Board Meeting and duly disclosed to the SEC.</i></p>	
Recommendation 2.2			
1. Board oversees the development, review and approval of the company's business objectives and strategy.	Compliant	The Board oversees development, review and approval of the company's business objectives and strategy and monitors its implementation during the monthly board meetings.	
2. Board oversees and monitors the implementation of the company's business objectives and strategy.	Compliant	<ol style="list-style-type: none"> 1. <u>Attendance of Directors in 2018 Board Meetings</u>, monthly meeting attendance 2. <u>Notice of Board Meeting - Excerpts</u>, Notice of Regular Monthly Meetings 3. <u>Agenda Items for BOD Meeting - Excepts</u>, Board Agenda Items 	

		<p>4. <u>Minutes of Regular Board Meeting 2018 Nov 22 - Excerpts</u>, Excerpt of BOD Minutes of Meeting on November 22, 2018 approving the 2019 Business Plan</p>	
Supplement to Recommendation 2.2			
1. Board has a clearly defined and updated vision, mission and core values.	Compliant	<p><u>Our vision, mission and values</u> 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><u>Agenda Items for BOD Meeting - Excerpts</u> <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. Cezar P. Consing is Chairman of the Board.</u> <i>Mr. Cezar P. Consing took over as Chairman of the Board effective January 2018.</i></p>	

<p>1. Board ensures and adopts an effective succession planning program for directors, key officers and management.</p>	<p>Compliant</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>	
<p>2. Board adopts a policy on the retirement for directors and key officers.</p>	<p>Compliant</p>	<p><u>SEC Form 17-A Annual Report as of December 31, 2018</u>, Board of Directors, PDF Page 34/173</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>Recommendation 2.5</p>			

<p>1. Board aligns the remuneration of key officers and board members with long-term interests of the company.</p>	<p>Compliant</p>	<p>SEC Form 17-A Annual Report as of December 31, 2018, Directors and Executive Compensation, PDF Page 46-47/173</p>	
<p>2. Board adopts a policy specifying the relationship between remuneration and performance.</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><i>No resolution pertaining to directors' remuneration has been adopted by the board since five (5) years ago.</i></p> <p><i>Going forward, should there be any proposal to tie up additional compensation with performance, other than the 'per diems' the same will be subject to the Stockholders' approval.</i></p>	
<p>3. Directors do not participate in discussions or deliberations involving his/her own remuneration.</p>	<p>Compliant</p>	<p>SEC Form 17-A Annual Report as of December 31, 2018, Directors and Executive Compensation, PDF Page 46-47/173</p> <p><i>The Board does not discuss or deliberate on director's remuneration. This matter is subject to stockholders' approval.</i></p>	

Optional: Recommendation 2.5

<p>1. Board approves the remuneration of senior executives.</p>	<p>Compliant</p>	<p><u>Board Committee- Nomination and Compensation Committee</u></p> <p><i>The Board approves through the Nomination Committee the compensation package of the Senior Executive Officers.</i></p> <p><u>Amended By-Laws</u>, 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>2. Company has measurable standards to align the performance-based remuneration of the executive directors and senior executives with long-term interest, such as claw back provision and deferred bonuses.</p>		<p><i>Performance remuneration is tied to meeting business and performance targets, some of which have long-term effects on the Company.</i></p>	

Recommendation 2.6

1. Board has a formal and transparent board nomination and election policy.	Compliant	<p><u>Nomination and Election Rule</u></p> <p><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></p> <p><i>Current members of the Board show the diversity of their competence, business experience/background, knowledge and skills set.</i></p> <p><u>Nat Re Leadership</u></p>	
2. Board nomination and election policy is disclosed in the company's Manual on Corporate Governance.	Compliant		
3. Board nomination and election policy includes how the company accepted nominations from minority shareholders.	Compliant		
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		
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			
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><i>We used the list of ICD Independent Directors in the search for new Independent Director.</i></p>	

Recommendation 2.7			
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.	Compliant	<u>Related Party Transaction Policy</u> <i>RPT Policy provides for the responsibilities at different levels of the organization, from the Board, the Governance Committee and 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>	
2. RPT policy includes appropriate review and approval of material RPTs, which guarantee fairness and transparency of the transactions.	Compliant		
3. RPT policy encompasses all entities within the group, taking into account their size, structure, risk profile and complexity of operations.	Compliant		
Supplement to Recommendations 2.7			
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.	Compliant	<u>Related Party Transaction Policy</u> <i>Related threshold for RPT approval is also provided in the related Annex.</i>	
2. Board establishes a voting system whereby a majority of non-related party shareholders approve specific types of	Compliant	<u>SEC Form 17-A Annual Report as of December 31, 2018</u> , Item 12, Certain Relationship and Related Party Transaction, PDF Page 50/173	

<p>related party transactions during shareholders' meetings.</p>		<p><i>Certain relationships and related transactions are disclosed accordingly. Should there be any material related party transaction, the same is included in this report.</i></p> <p><u>SEC Form 17-A Annual Report as of December 31, 2018</u>, Note 25 – Related Party Transactions, page 137/173</p> <p><i>Provides detailed disclosure of related party transactions.</i></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><u>Amended By Laws</u>, Article IV, Section 1, Officers, PDF Page 15/28</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 20/28</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 July 5, 2018 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, PDF Page 20/28</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.</i></p> <p><u>Audit Committee Charter</u>, Authority, PDF page 3/8</p> <p><i>The Audit Committee reviews and evaluates the performance of the Chief Audit Executive per related Audit Committee Charter.</i></p> <p><i>Currently the performance appraisal of the Head of Risk and Compliance is being reviewed by the CEO but moving forward, this will have to be concurred with the Audit Committee and Risk Oversight Committee.</i></p>	

Recommendation 2.9			
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.	Compliant	<u>Revised Performance Appraisal Form 2019</u> <i>The Company utilizes a performance management template for evaluating performance. An improved 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>	
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		
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, 2018</u> <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 2018 is provided as reference.</i>	
2. The internal control system includes a mechanism for monitoring and managing potential conflict of interest of the Management, members and shareholders.	Compliant	<u>Conflict of Interest</u> <i>Provided as reference as well is the Company's policy on conflict of interest.</i>	

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	<p><u>Risk Oversight Committee Charter</u></p> <p><u>Enterprise Risk Management Policy Framework</u></p>	
2. The risk management framework guides the board in identifying units/business lines and enterprise-level risk exposures, as well as the effectiveness of risk management strategies.	Compliant	<p><i>Risk Oversight Committee Charter; ERM Policy Framework are provided for reference.</i></p> <p><i>The Board through the ROC oversees the Company's ERM framework, risk exposures and effectiveness of the risk management strategies.</i></p>	
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	<p><u>Amended Articles of Incorporation</u></p> <p><u>Amended By-Laws</u></p>	
2. Board Charter serves as a guide to the directors in the performance of their functions.	Compliant	<p><i>The Articles of Incorporation, By-laws and Board Committee Charters of the Company generally</i></p>	

3. Board Charter is publicly available and posted on the company's website.	Compliant	<p><i>serve as the guidance of the Board in fulfilling its role and responsibilities and in carrying out its fiduciary role. Those guide directors in performing their functions.</i></p> <p><i>A Board Charter has already been drafted and this will be submitted to the Governance Committee for review and evaluation before this is endorsed for Board approval.</i></p>	
Additional Recommendation to Principle 2			
1. Board has a clear insider trading policy.	Compliant	<p><u>Policy on Insider Trading of Company Securities</u></p> <p><i>The Board has a clear Insider Trading Policy.</i></p>	
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.	Compliant	<p><i>The Company has no policy allowing the granting of a loan to any director. There was no instance in the past where this was practiced by the Company.</i></p>	
2. Company discloses the types of decision requiring board of directors' approval.	Compliant	<p><u>Amended By-Laws</u>, Article III, Section 9, Duties and Powers of the Board of Directors, PDF Page 12/28</p>	
Principle 3: Board committees should be set up to the extent possible to support the effective performance of the Board's functions, particularly with respect to audit, risk management, related party transactions, and other key corporate governance concerns, such as			

nomination and remuneration. The composition, functions and responsibilities of all committees established should be contained in a publicly available Committee Charter.

Recommendation 3.1

<p>1. Board establishes board committees that focus on specific board functions to aid in the optimal performance of its roles and responsibilities.</p>	<p>Compliant</p>	<p>Amended By-Laws, Article V, Board Committees, PDF Page 19/28</p> <p><i>The Board Committees are established by the Board to aid in the optimal performance of its roles and responsibilities.</i></p>	
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Recommendation 3.2

<p>1. Board establishes an Audit Committee to enhance its oversight capability over the company's financial reporting, internal control system, internal and external audit processes, and compliance with applicable laws and regulations.</p>	<p>Compliant</p>	<p>Amended by-Laws, Article V, Section 3, Audit Committee, PDF Page 19/28</p> <p>Audit Committee Members</p> <p><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></p>	
<p>2. Audit Committee is composed of at least three appropriately qualified non-executive directors, the majority of whom, including the Chairman is independent.</p>	<p>Compliant</p>	<p>Ermilando D. Napa Medel T. Nera</p> <p><i>All members of the Audit Committee are the Independent Directors: Messrs. Ermilando D. Napa and Medel T. Nera. They possess all the relevant</i></p>	
<p>3. All the members of the committee have relevant background, knowledge, skills,</p>	<p>Compliant</p>		

<p>and/or experience in the areas of accounting, auditing and finance.</p>		<p><i>background, knowledge, skills and experience in the areas of accounting, auditing and finance.</i></p> <p><u>SEC Disclosure on the Resignation of Mr. Romeo L. Bernardo</u> <i>Mr. Romeo L. Bernardo, Independent Director during the calendar year 2018, was also a member of the Audit Committee during the year. He resigned as Independent Director of the corporation on April 24, 2019, on issue of possible conflict of interest. Thus, the Committee currently has only two Independent Directors as members. A third Independent Director will be elected at the annual stockholders' meeting on June 27, 2019, and he will be requested to join the Audit Committee as well to complete the membership of the committee.</i></p>	
<p>4. The Chairman of the Audit Committee is not the Chairman of the Board or of any other committee.</p>	<p>Compliant</p>	<p><u>Ermilando D. Napa</u>, Chairman of the Audit Committee</p> <p><i>Mr. Ermilando D. Napa is the Chairman of the Audit Committee. Mr. Cezar P. Consing is the Chairman of the Board.</i></p> <p><u>Cezar P. Consing</u>, Chairman of the Board</p>	

Supplement to Recommendation 3.2			
1. Audit Committee approves all non-audit services conducted by the external auditor.	Compliant	Audit Committee Charter , Responsibilities, Item 4 -External Audit (e), PDF Page 7/8 <i>The Audit Committee approves all non-audit services conducted by the external auditor.</i>	
2. Audit Committee conducts regular meetings and dialogues with the external audit team without anyone from management present.	Compliant	Report of the Audit Committee for the year ended December 31, 2018 The Audit Committee met nine (9) times during the year and had meetings with the external auditors and also met without anyone from management present.	
Optional: Recommendation 3.2			
1. Audit Committee meet at least four times during the year.	Compliant	Report of the Audit Committee for the year ended December 31, 2018 The Audit Committee met nine (9) times during the year.	
2. Audit Committee approves the appointment and removal of the internal auditor.	Compliant	Audit Committee Charter , Authority, Item (C)(2) <i>Approve the Chief Audit Executive's (CAE) appointment, dismissal, compensation, and salary adjustment relative to annual performance evaluations and</i>	

		<p>ensure that there are no unjustified restrictions or limitations thereto.</p> <p><u>Organizational Chart</u> Organizational chart also shows the direct line of the Internal Auditor to the Board Committee (Audit Committee)</p>	
Recommendation 3.3			
<p>1. Board establishes a Corporate Governance Committee tasked to assist the Board in the performance of its corporate governance responsibilities, including the functions that were formerly assigned to a Nomination and Remuneration Committee.</p>	Compliant	<p><u>Amended By-laws</u> , Article V, Section V, Governance and Related Transaction Committee, PDF Page 20/28</p> <p><u>Governance and Related Party Transaction Committee</u></p> <p><u>Governance and Related Party Transaction Committee Charter</u> The Board established Governance and Related Party Transaction Committee who will oversee the corporate governance responsibilities of the Board.</p>	
<p>2. Corporate Governance Committee is composed of at least three members, all of whom should be independent directors.</p>	Compliant	<p><u>Results of the July 5, 2018 Annual Stockholders Meeting and Organizational Meeting of the Board</u>, item 6, PDF Page 5/6 Members of the Governance Committee are all the Independent Directors: Romeo L. Bernardo,</p>	

		<i>Medel T. Nera and Ermilando D. Napa.</i>	
3. Chairman of the Corporate Governance Committee is an independent director.	Compliant	<p><u>Results of the July 5, 2018 Annual Stockholders Meeting and Organizational Meeting of the Board</u>, item 6, PDF Page 2&5/6 Mr. Bernardo, Chairman of the Governance and Related Party Committee, elected by the shareholders as Independent Director.</p> <p><u>SEC Disclosure on the Resignation of Mr. Romeo L. Bernardo</u> <i>Mr. Romeo L. Bernardo was an independent Director and Chairman of the Governance Committee for the year 2018. Effective April 24, 2019, he resigned from his post.</i></p>	
Optional: Recommendation 3.3.			
1. Corporate Governance Committee meet at least twice during the year.	Compliant	<p><u>Excerpts of GRPT 2018 Minutes of Meeting</u> <i>The Governance Committee (GRPT) had two (2) meetings in 2018. (April 26 and Oct 18, 2018). Excerpts of these meetings are herewith referred to.</i></p>	
Recommendation 3.4			

<p>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.</p>	<p>Compliant</p>	<p>Amended By-laws, Article V, Section 6, Risk Oversight Committee, PDF Page 20/28</p> <p><i>The Board established a separate Risk Oversight Committee.</i></p>	
<p>2. BROC is composed of at least three members, the majority of whom should be independent directors, including the Chairman.</p>	<p>Compliant</p>	<p>Results of the July 5, 2018 Annual Stockholders Meeting and Organizational Meeting of the Board, item 5, PDF Pages 2&5</p> <p><i>Chairman is Mr. Medel T. Nera. Independent Director</i> <i>Members are:</i></p> <p><i>Romeo L. Bernardo (Independent Director) (resigned April 24, 2019)</i> <i>Ermilando D. Napa (Independent Director)</i> <i>Maria Consuelo A. Lukban, replaced Luis Urcia</i> <i>Allan R. Santos, replaced Augusto Hidalgo</i></p> <p><i>As of December 31, 2018, three (3) of the members are IDs out of five (5) members therefore, majority are Independent Directors.</i></p>	
<p>3. The Chairman of the BROC is not the Chairman of the Board or of any other committee.</p>	<p>Compliant</p>	<p>Results of the July 5, 2018 Annual Stockholders Meeting and Organizational Meeting of the Board, item 5, PDF Page 5/6</p>	

		<p><u>Risk Oversight Committee</u></p> <p><i>Mr. Medel T. Nera, Chairman of the ROC is not the Chairman of the Board. Mr. Cezar P. Consing is the Chairman of the Board.</i></p>	
<p>4. At least one member of the BROOC has relevant thorough knowledge and experience on risk and risk management.</p>	Compliant	<p><u>SEC Form 20-IS Definitive Information Statement 2019</u>, Business Experience of Directors during the past five (5) years, PDF Page 14-15/253 – Romeo L. Bernardo, Ermilando D. Napa, Medel T. Nera</p> <p><i>All the three IDs who are members of the Risk Oversight Committee have relevant and thorough knowledge and experience on risk and risk management.</i></p>	
Recommendation 3.5			
<p>1. Board establishes a Related Party Transactions (RPT) Committee, which is tasked with reviewing all material related party transactions of the company.</p>	Compliant	<p><u>Amended By-Laws</u>, Article V, Section 5, Governance and Related Transaction Committee, PDF Page 20/28</p> <p><u>Governance and Related Party Transaction Committee</u></p> <p><u>Governance and Related Party Transaction Committee Charter</u></p>	

		<i>The Board established Governance and Related Party Transaction Committee who will oversee both the corporate governance responsibilities of the Board and review /evaluation of Related Party Transactions.</i>	
2. RPT Committee is composed of at least three non-executive directors, two of whom should be independent, including the Chairman.	Compliant	<p>Results of the July 5, 2018 Annual Stockholders Meeting and Organizational Meeting of the Board, item 6, PDF Page 2&5/6</p> <p><i>As of December 31, 2018, members of the Governance Committee are all the Independent Directors: Romeo L. Bernardo (Chairman), Medel T. Nera and Ermilando D. Napa.</i></p>	
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	<p>Amended By-Laws, Article V, Board Committees, PDF Page 19/28</p> <p><i>All board committees, respective members and related committee charters are posted in the company's website.</i></p>	
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		
<p>Principle 4: To show full commitment to the company, the directors should devote the time and attention necessary to properly and effectively perform their duties and responsibilities, including sufficient time to be familiar with the corporation's business.</p>			
<p>Recommendation 4.1</p>			
1. The Directors attend and actively participate in all meetings of the Board, Committees and shareholders in person or through tele-/videoconferencing conducted in accordance with the rules and regulations of the Commission.	Compliant	<p>Directors' Attendance of BOD Meeting for the year 2018</p> <p>Directors Attendance on Board Committee Meetings - 2018 <i>Directors' attendance for the year 2018 in all board meetings.</i></p>	
2. The directors review meeting materials for all Board and Committee meetings.	Compliant	<p>Excerpts of Minutes of Regular Board Meeting - 20 September 2018, <i>Report of the Underwriting Committee</i></p>	
3. The directors ask the necessary questions or seek clarifications and explanations during the Board and Committee meetings.	Compliant	<p><i>The directors review meeting materials and seek clarification and explanations during the Board and Committee meetings.</i></p>	
<p>Recommendation 4.2</p>			
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.	Compliant	<p>SEC Form 17-A Annual Report as of December 31, 2018, Directorship in Other Listed Companies, PDF Page 40/173</p> <p><i>Provides information on the other directorships held by the directors in</i></p>	

		reporting companies other than the Company showing no more than five (5) publicly listed companies.	
Recommendation 4.3			
1. The directors notify the company's board before accepting a directorship in another company.	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			
1. Company does not have any executive directors who serve in more than two boards of listed companies outside of the group.	Compliant	<p>SEC Form 17-A Annual Report as of December 31, 2018, Directorship in Other Listed Companies, PDF Page 40/173</p> <p><i>Provides information on the other directorships held in reporting companies other than the company showing no more than (5) publicly listed company.</i></p> <p><i>Mr. Allan R. Santos, director and President/CEO does not have any other directorship in other listed companies.</i></p>	
2. Company schedules board of directors' meetings before the start of the financial year.	Compliant	<p>Results of the July 5, 2018 Organizational Meeting of the Board, PDF Page 6/6</p>	

		<i>The Company Schedules regular board meeting fourth Thursday of the month.</i>	
3. Board of directors meet at least six times during the year.	Compliant	Directors' Attendance of BOD Meeting for the year 2018 Please see director's attendance for the year 2018 in all board meetings. There were twelve (12) regular board meetings during 2018.	
4. Company requires as minimum quorum of at least 2/3 for board decisions.	Compliant	Amended By-laws , Article III, Section 7, Quorum, PDF Page 11/28 <i>Majority of the directors shall be necessary and sufficient to constitute a quorum for the transaction of business.</i>	

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

Recommendation 5.1

1. The Board has at least 3 independent directors or such number as to constitute one-third of the board, whichever is higher.	Compliant	Results of the July 5, 2018 Annual Stockholders Meeting and Organizational Meeting of the Board , Independent Directors, PDF Page 2/6 <i>Our three (3) IDs out of thirteen (13) directors are already able to effectively perform their duties.</i>	
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Recommendation 5.2			
1. The independent directors possess all the qualifications and none of the disqualifications to hold the positions.	Compliant	<u>Certification of Independent Directors</u> <i>Certification of Independent Directors that they possess all the qualifications and none of the disqualifications.</i>	
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	<u>SEC Form 17-A Annual Report as of December 31, 2018</u> , Voting Trust Holders of 5% or more and Change in Control Declaration, PDF Page 49/173 <i>No voting trust holders of 5% or more nor any changes in control that may constrain directors from voting independently.</i>	
Recommendation 5.3			
1. The independent directors serve for a cumulative term of nine years (reckoned from 2012).	Compliant	<u>SEC Form 17-A Annual Report as of December 31, 2018</u> , Business Profile of Romeo L. Bernardo, Ermilando D. Napa and Medel T. Nera <i>All our IDs term are within the required cumulative term of nine years, reckoned from 2012.</i> <i>After nine (9) years and the Company prefer to retain its</i>	
2. The company bars an independent director from serving in such capacity after the term limit of nine years.	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		

		<i>independent directors, the board will provide its justification and will seek the shareholders' approval.</i>	
Recommendation 5.4			
1. The positions of Chairman of the Board and Chief Executive Officer are held by separate individuals.	Compliant	General Information Sheet, Directors / Officers , PDF Page 5/12 Cezar P. Consing Allan R. Santos <i>The Chairman is Mr. Cezar P. Consing 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	Amended By-Laws Article III, Section 11, Duties of the Chairman, PDF Page 14/28 Article IV, Section 2, Duties of the President, PDF Page 15/28	
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	Results of the July 5, 2018 Organizational Meeting of the Board after the Annual Stockholders meeting , Lead Director, PDF Page 6/6 <i>Mr. Romeo L. Bernardo, an independent Director, is designated as the Lead Director</i>	
Recommendation 5.6			

<p>1. Directors with material interest in a transaction affecting the corporation abstain from taking part in the deliberations on the transaction.</p>	<p>Compliant</p>	<p>Conflict of Interest, Item 1.2, PDF Page 2/4</p> <p><i>Provides that if a director has a material interest in a transaction affecting the company, he abstains from taking part in the approval/decision making required on the subject transaction.</i></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.</p>	<p>Compliant</p>	<p>Report of the Audit Committee for the year ended December 31, 2018</p> <p><i>The Audit Committee (composed on independent directors) met with the Internal Audit Head and the Independent External Auditors in private session during the year.</i></p>	
<p>2. The meetings are chaired by the lead independent director.</p>	<p>Compliant</p>	<p><i>The NEDs from the Board or respective Board Committee freely requests to have an executive session if there is need to hold one. No recording of Minutes is made. The same is presided by the Board Chairman; or the respective Chairman of the subject Board Committees.</i></p> <p>Audit Committee Minutes 3.9.2018</p> <p><i>Usually during approval of the year-end audited numbers, the</i></p>	

		<p>Managing or lead partner of the external auditing firm attends the audit committee session and requests for an executive session 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.</p>	
Optional: Principle 5			
<p>1. None of the directors is a former CEO of the company in the past 2 years.</p>	<p>Compliant</p>	<p><u>Appointment and Resignation of CEO/President</u> <i>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.</i></p> <p><u>SEC Form 17-A Annual Report as of December 31, 2018, Business Profile of Directors</u> showing none of the Non-Executive Directors was a former CEO of the Company in the past five years, PDF pages 35-38/173</p> <p><u>General Information Sheet showing Allan R. Santos as President and CEO</u></p>	

Allan R. Santos is CEO effective August 2018, item 2, PDF Page 5/12

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	Minutes of Regular Board Meeting 2018 Nov 22 - Excerpts , Results of Board's Performance Assessment - Excellent, Other Matters, PDF Page 3 – 6 of 6	
2. The Chairman conducts a self-assessment of his performance.	Compliant		
3. The individual members conduct a self-assessment of their performance.	Compliant	Audit Committee Self-Assessment Result	
4. Each committee conducts a self-assessment of its performance.	Compliant	ASEAN CG Scorecard and Compliance	
5. Every three years, the assessments are supported by an external facilitator.	Compliant	<p>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 SEC conducts a separate performance assessment yearly and the same is disclosed to the subject regulatory body.</p> <p>The external validators of the ACGS provide a written report on areas we need to improve in our CG</p>	

		<p>practices and which we as a Company worked on to implement changes recommended. 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>	
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>Minutes of Regular Board Meeting 2018 Nov 22 - Excerpts, Results of Board's Performance Assessment, Other Matters, PDF Page 3 of 3</u></p> <p><u>Audit Committee 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>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.</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. 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>	
<p>Principle 7: Members of the Board are duty-bound to apply high ethical standards, taking into account the interests of all stakeholders.</p>			
<p>Recommendation 7.1</p>			
<p>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.</p>	<p>Compliant</p>	<p>Code of Ethics Code of Conduct</p> <p><i>These Codes provide standards for professional and ethical behavior.</i></p>	
<p>2. The Code is properly disseminated to the Board, senior management and employees.</p>	<p>Compliant</p>	<p>Code of Ethics Code of Conduct</p> <p><i>Codes are properly disseminated to the Board, Senior Management and Employees. These are also available in our website.</i></p>	
<p>3. The Code is disclosed and made available to the public through the company website.</p>	<p>Compliant</p>	<p>Code of Ethics Code of Conduct</p>	

		<i>These codes are published in the Company website.</i>	
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	<u>Anti-Bribery and Corruption Policy</u> <i>Anti-Bribery and Corruption Policy is posted in the website</i>	
Recommendation 7.2			
1. Board ensures the proper and efficient implementation and monitoring of compliance with the Code of Business Conduct and Ethics.	Compliant	<u>Whistleblower Policy</u> <i>Whistleblower policy is in place so that any exception observed by employees can be raised to the appropriate officials.</i>	
2. Board ensures the proper and efficient implementation and monitoring of compliance with company internal policies.	Compliant	<u>Report of the Audit Committee for the year ended December 31, 2018</u> <i>Audit Committee assists the Board of Directors in carrying out its responsibilities as they relate in the oversight of Company's Internal Control by ensuring the compliance to Company's internal policies.</i>	
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			
<p>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.</p>	<p>Compliant</p>	<p><u>Nat-Re Corporate Governance website page</u></p> <p><i>This webpage includes disclosures for stockholders and other stakeholders that give fair and complete picture of a 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			
<p>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 published within forty-five (45) days from the end of the reporting period.</p>	<p>Compliant</p>	<p><u>Reports and Financial Statements SEC and PSE Filings</u></p> <p><i>Annual Reports</i> <i>Quarterly Financial Reports</i></p> <p><i>We are fully compliant on disclosing the required reports on time.</i></p>	
<p>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.</p>	<p>Compliant</p>	<p><u>SEC Form 17-A Annual Report as of December 31, 2018</u></p> <p>Item 12. Certain Relationships and Related Transactions, PDF page 50/173</p>	

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>	
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	<i>Insiders Trading Policy requires all directors and key officers to disclose transactions with company shares within two (2) business days from transaction date.</i>	
Supplement to Recommendation 8.2			
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 purchase of its shares from the market (e.g. share buy-back program).	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 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 Form 17-A Annual Report as of December 31, 2018</u>	
		Part III Item 9- Directors and Executive Officers, PDF pages 34-40 / 173	

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.	Compliant	SEC Form 20-IS Definitive Information Statement 2019 , Item 6, Compensation of Directors and Officers, PDF pages 29 – 30 /253	
2. Company provides a clear disclosure of its policies and procedure for setting executive remuneration, including the level and mix of the same.	Compliant		
3. Company discloses the remuneration on an individual basis, including termination and retirement provisions.	Compliant		
Recommendation 8.5			
1. Company discloses its policies governing Related Party Transactions (RPTs) and other unusual or infrequently occurring transactions in their Manual on Corporate Governance.	Compliant	Related Party Transaction Policy	
2. Company discloses material or significant RPTs reviewed and approved during the year.	Compliant	SEC Form 17-A Annual Report as of December 31, 2018 , Item 12. Certain Relationships and Related Transactions, PDF page 50 - 52 / 173	

		FS Note 25 - Related Party Transactions, PDF pages 137-139 / 173	
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</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 dealing 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, 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 standards that the RPT is 'fair and arms-length' and is in the best interest of the Company.</i></p>	

Recommendation 8.6			
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.	Compliant	<u>PSE/SEC Disclosures</u> <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 2018.</i>	
2. Board appoints an independent party to evaluate the fairness of the transaction price on the acquisition or disposal of assets.	Compliant	The Company has not acquired or disposed any significant assets for the year 2018. <u>Policy on Conflict of Interest</u> <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 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	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</i>	

the control, ownership, and strategic direction of the company.		aware of any shareholder agreements, voting trust agreements, confidentiality agreements among its shareholders.	
Recommendation 8.7			
1. Company's corporate governance policies, programs and procedures are contained in its Manual on Corporate Governance (MCG).	Compliant	<u>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.	Compliant	<u>Manual on Corporate Governance</u> <i>The submission was stamped received by the SEC in the first page of the posted MCG report.</i> <u>Manual on Corporate Governance –PSE submission</u>	
Optional: Principle 8			
1. Does the company's Annual Report disclose the following information:	Compliant		

a. Corporate Objectives		<u>SEC Form 17-A Annual Report as of December 31, 2018</u>	
b. Financial performance indicators	Compliant	<i>Key Performance Indicator / Financial Soundness Indicator, PDF Pages 30 / 173</i>	
c. Non-financial performance indicators	Compliant		
d. Dividend Policy	Compliant	<i>Dividends, PDF Page 15 / 173</i>	
e. Biographical details (at least age, academic qualifications, date of first appointment, relevant experience, and other directorships in listed companies) of all directors	Compliant	<i>Item 9, Directors and Executive Officers of the Issuer, PDF Pages 34 – 40 / 173</i>	
f. Attendance details of each director in all directors meetings held during the year	Compliant	<u>Directors' Attendance of BOD Meeting for the year 2018</u>	
g. Total remuneration of each member of the board of directors	Compliant	<u>SEC Form 17-A Annual Report as of December 31, 2018</u> <i>Item 10, Executive Compensation, PDF Pages 46 - 47/ 173</i>	
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 Form 20-IS Definitive Information Statement 2019,</u> <i>Compliance with the Best Practices on Corporate Governance, PDF pages 63 / 228</i>	
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, 2018</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</i>	

		<i>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	Report of the Audit Committee for the year ended December 31, 2018	
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	SEC Form 17-A Annual Report as of December 31, 2018 Item 1.B. Risks, PDF pages 8 – 9 / 173 Notes to FS, Item 4- Risk Management Objectives and Policies, PDF Pages 102 – 114 / 173 <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	Audit Committee Charter , Authority, Item (C)(4), PDF Page 3/8 <i>The Audit Committee has the authority to recommend the appointment and compensation of the independent external auditor</i>	
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		<i>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	SEC Form 20-IS Definitive Information Statement 2019 , Item b(3).A Voting Procedures, PDF Page 34 - 36/253	
3. For removal of the external auditor, the reasons for removal or change are disclosed to the regulators and the public through the company website and required disclosure	Compliant	<i>We are engaging the same external auditors.</i>	
Supplement to Recommendation 9.1			
1. Company has a policy of rotating the lead audit partner every five years.	Compliant	<p>SEC Form 20-IS Definitive Information Statement 2019, Item 7, Independent Public Accountant, PDF Page 30/253</p> <p>Mr. Anthony L. Ng is the newly assigned engagement partner who signed the 2018 Audited Financial Statements. (Previous year's partner is Ms. Sheryl G. Llovido.)</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-</i></p>	

		<i>engagement of the same signing partner or individual auditor.</i>	
Recommendation 9.2			
1. Audit Committee Charter includes the Audit Committee's responsibility on: <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. 	Compliant	Audit Committee Charter , Item F.4 – External Audit, PDF page 6/8	
2. Audit Committee Charter contains the Committee's responsibility on reviewing and monitoring the external auditor's suitability and effectiveness on an annual basis.	Compliant		
Supplement to Recommendations 9.2			
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.	Compliant	Audit Committee Charter , Item F.4 – External Audit, PDF page 6/8	

2. Audit Committee ensures that the external auditor has adequate quality control procedures.	Compliant		
Recommendation 9.3			
1. Company discloses the nature of non-audit services performed by its external auditor in the Annual Report to deal with the potential conflict of interest.	Compliant	<p>Audit Committee Charter, F4.e 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>	
2. Audit Committee stays alert for any potential conflict of interest situations, given the guidelines or policies on non-audit services, which could be viewed as impairing the external auditor's objectivity.	Compliant	<p>SEC Form 17-A Annual Report as of December 31, 2018, External Audit Fees, PDF Page 33 / 173</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>	

Supplement to Recommendation 9.3			
1. Fees paid for non-audit services do not outweigh the fees paid for audit services.	Compliant	<u>SEC Form 17-A Annual Report as of December 31, 2018</u> , External Audit Fees, PDF Page 33 / 173 <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>	
Additional Recommendation to Principle 9			
1. Company's external auditor is duly accredited by the SEC under Group A category.	Compliant	<u>SEC Accredited List of External Auditor as of March 31, 2019, Item 106</u> Information on company's external auditor: <ol style="list-style-type: none"> 1. Audit engagement partner: Mr. Anthony L. Ng 2. Accreditation number: 1638-A 3. Date Accredited: May 30, 2017 4. Expiry date of accreditation: May 29, 2020 5. Name, address, contact number of the audit firm: Punongbayan & Araullo 20th Floor, Tower 1, The Enterprise Center Ayala Avenue, Makati City Tel: +632 988 2288 	

<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 not yet subjected to SOR inspection 2. Name of the Audit firm: Punongbayan & Araullo 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>We provide in our website disclosures on non-financial information such as our advocacies and the different programs and initiatives we undertake that highlights our corporate social responsibility.</p> <p><u>Nat Re Advocacies</u></p>	
<p>2. Company adopts a globally recognized standard/framework in reporting sustainability and non-financial issues.</p>	<p>Compliant</p>	<p><i>We are in partnership with:</i></p> <p>InsuResilience, a collaboration of more than forty partners from governments, civil society, international organizations, academia, and the insurance</p>	

	<p><i>industry who, like us, strongly advocate for disaster-resilient communities.</i></p> <p>Catastrophe and Risk Management in ASEAN (CARMA) <i>We value the crucial role of data, information, and best practices sharing in collaborative relationships, which is why we are a charter member of CARMA, an initiative of the ASEAN Natural Disasters Research Works Sharing (ANDREWS) Committee. CARMA is designed to offer fast and convenient access to natural disaster topics and related documents, including articles to spread knowledge and enhance awareness in mitigating risks.</i></p> <p>FEED <i>Is a non-stock, non-profit, non-governmental organization registered with the Philippine Securities & Exchange Commission. It supports sustainable education & tree-planting/nurturing, aiming to inclusively grow, preserve and protect Philippine biodiversity – marine and terrestrial – through integrated social forestry programs, community development & livelihood initiatives, and scientific</i></p>	
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	<p><i>and practical research into agricultural, environmental, farming, forestry, fisheries and sustainability studies.</i></p> <p>EAIC <i>We want to have more effective collaborations with (re)insurers from neighboring developing countries which is why we joined the East Asian Insurance Congress (EAIC), the longstanding global non-life insurance industry association. The EAIC is a prominent avenue, particularly through its flagship biennial conferences, for encouraging dialogue among the insurance industries of its twelve member cities.</i> <i>Nat Re's CEO sits on the EAIC Executive Board as Vice President and Chief Delegate for Manila, and is a member of the Organizing Committee for the EAIC 2018 Conference in Manila.</i></p> <p>PIRA <i>We champion for the development of the Philippine insurance industry which is why we are an active member of the Philippine Insurers and Reinsurers' Association (PIRA).</i></p>	
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		<p><i>PIRA provides insurers an avenue for enriching dialogue with each other, with regulators, and with other groups, and helps insurers harness opportunities that will better serve their customers. Nat Re's CEO is the Deputy Chairman of the Board of Trustees of PIRA in 2018.</i></p> <p><u>Nat Re Mission Vision Values</u></p> <p>Sustainability is among our corporate values. <i>'In all that we do, we consider not only the long-term impact on our business and the domestic insurance industry but also our shared responsibility to the larger society, national economy, and global environment.'</i> Provide link to Sustainability Report, if any. Disclose the standards used.</p>	
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Principle 11: The company should maintain a comprehensive and cost-efficient communication channel for disseminating relevant information. This channel is crucial for informed decision-making by investors, stakeholders and other interested users.

Recommendation 11.1

<p>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.</p>	<p>Compliant</p>	<p><u>Nat Re Press Release</u> <u>SEC/PSE Disclosures</u></p> <p><i>The Company disseminates and discloses material and relevant information through its website,</i></p>	
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		<i>press releases and disclosures to PSE and SEC.</i>	
Supplemental to Principle 11			
1. Company has a website disclosing up-to-date information on the following:			
a. Financial statements/reports (latest quarterly)	Compliant	<u>Nat Re Reports and Financial Statements</u> <i>Financial Reports are posted in the Company website including the most recent 2018 Year-end Financial Statement.</i>	
b. Materials provided in briefings to analysts and media	Compliant	<u>Nat Re Press Release for Oasis</u> <u>Nat Re Press Release for New President and CEO and New Executives</u> <u>Nat Re Press Release for ASM</u> <u>Nat Re Press Release for AM Best Rating</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>Annual Reports SEC Form 17-A</u> <i>The most recent 2018 Annual Report is posted and downloadable in the company website.</i>	

d. Notice of ASM and/or SSM	Compliant	Notice of 2019 Annual Stockholders Meeting Notice of 2018 Annual Stockholders Meeting <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	Minutes of Annual Stockholders Meeting <i>Minutes of Annual Stockholder Meetings are posted in the company website</i>	
f. Company's Articles of Incorporation and By-Laws	Compliant	Amended Articles of Incorporation Amended By-Laws <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	Nat Re Corporate Governance Webpage <i>Our Company website includes webpages on Corporate Governance in compliance to 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

<p>1. Company has an adequate and effective internal control system in the conduct of its business.</p>	<p>Compliant</p>	<p><u>Report of the Audit Committee for the year ended December 31, 2018</u></p> <p><i>The Report of the Audit Committee is issued yearly, confirming the compliance with the Audit Committee Charter which includes the evaluation of the system of internal control.</i></p> <p><u>Audit Committee Charter, Responsibilities, PDF Page 4 – 8 / 8</u> <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></p> <p><i>Internal Audit will work closely with the Management to identify and assess risk and control. IA will also coordinate with and provide oversights of other control and monitoring functions.</i></p>	
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		<p><u>Manual of Corporate Governance</u>, Internal Control System, PDF Page 27</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>Enterprise Risk Management Policy Framework</u></p> <p><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's processes.</i></p> <p><i>The Committee meets at least once every quarter.</i></p> <p><u>SEC Form 17-A Annual Report as of December 31, 2018</u> – Financial Statements, Risk Management Objectives and Policies, PDF Page 102 – 115 / 173</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 comply with internal policies and procedures.</i></p> <p><u>Audit Committee Charter</u>, Audit Committee Responsibility on Compliance, PDF Page 7 / 8</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>	<p>Compliant</p>	<p><u>Information Asset Protection 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>	

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>	Compliant	<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 other non-assurance services designed to add value and improve the organization's operations.</i></p>	
Recommendation 12.3			
<p>1. Company has a qualified Chief Audit Executive (CAE) appointed by the Board.</p>	Compliant	<p>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>	

		<i>Role and scope of internal audit work were provided for the Head of Internal Audit, Mr. Mark Quintin G. Nunez.</i>	
2. CAE oversees and is responsible for the internal audit activity of the organization, including that portion that is outsourced to a third party service provider.	Compliant	Internal Audit Charter , Periodic Assessment <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>	
3. In case of a fully outsourced internal audit activity, a qualified independent executive or senior management personnel is assigned the responsibility for managing the fully outsourced internal audit activity.	Compliant	Audit Committee Charter , Internal Control, PDF Page 5 / 8 <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>	
Recommendation 12.4			
1. Company has a separate risk management function to identify, assess and monitor key risk exposures.	Compliant	Risk Oversight Committee Charter , Purpose, PDF Page 3 / 5 <i>The Risk Oversight Committee has been established by the Board to assist in the development and</i>	

		oversight of the Company's risk management program.	
		Enterprise Risk Management Policy Framework , Organization and Governance – Risk Officer, page 4/13	
Supplement to Recommendation 12.4			
1. Company seeks external technical support in risk management when such competence is not available internally.	Compliant	Risk Oversight Committee Charter , Authority, PDF Page 3/5 <i>Obtain outside legal or other independent professional advice at Company's expense</i>	
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	SEC Form 17-A Annual Report as of December 31, 2018 <i>Regina S. Ramos, Vice President and Head of Risk and Compliance, PDF Page 40 / 173</i> Enterprise Risk Management Policy Framework , Organization and Governance – Risk Officer (5.2), PDF page 4/13 <i>The Risk Officer is responsible for ensuring that the Company adopts and implements the ERM Framework and related policies and ensuring that the risk management process is aligned to</i>	

		<p><i>the strategy and corporate objectives of Nat Re.</i></p> <p>Risk Oversight Committee Charter</p>	
2. CRO has adequate authority, stature, resources and support to fulfill his/her responsibilities.	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			
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.	Compliant	<p>Report of the Audit Committee for the year ended December 31, 2018</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			
Principle 13: The company should treat all shareholders fairly and equitably, and also recognize, protect and facilitate the exercise of their rights.			
Recommendation 13.1			
1. Board ensures that basic shareholder rights are disclosed in the Manual on Corporate Governance.	Compliant	<p>Manual of Corporate Governance, Promoting Shareholder Rights, PDF Page 30 / 34</p>	

		<i>The Company should treat all shareholders fairly and equitably, and also recognize, protect and facilitate the exercise of their rights.</i>	
2. Board ensures that basic shareholder rights are disclosed on the company's website.	Compliant	<p>https://www.nai-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><u>SEC Form 20-IS Definitive Information Statement 2019</u></p> <p><i>Shareholder and Investor Relations, PDF Page 64 / 253</i></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 timely information updates on its governance, operational, and financial performance. The Company has also designated relations officers to handle investor and shareholder queries and</i></p>	

		<i>requests, and their contact information can easily be accessed through the Company's website.</i>	
Supplement to Recommendation 13.1			
1. Company's common share has one vote for one share.	Compliant	<p>SEC Form 20-IS Definitive Information Statement 2019, Item 4, Voting Securities and Principal Holders Thereof. PDF Pages 7 - 8 / 253</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 8/28</p> <p><i>One share, one vote is practiced.</i></p>	
2. Board ensures that all shareholders of the same class are treated equally with respect to voting rights, subscription rights and transfer rights.	Compliant	<p>Amended By-Laws, Election of Directors, Article II, Section 7, PDF Page 8/28</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>Manual of Corporate Governance, Promoting Shareholder Rights, PDF Page 30 / 34</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>	
3. Board has an effective, secure, and efficient voting system.	Compliant	<p>Amended By-Laws, Election of Directors, Article II, Section 7, PDF Page 8/28</p> <p><i>The election of directors shall be by secret ballot.</i></p> <p>SEC Form 20-IS Definitive Information Statement 2019, Voting Procedures 1.B., PDF Page 35 / 253</p> <p><i>The votes shall be counted by a show of hands, or, upon motion duly made and seconded, or by secret ballot.</i></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.	Compliant	<p>Amended By-Laws, Stockholders Meeting, Quorum, Section 4, PDF Page 7/28</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</i></p>	

		<p><i>Philippines requires a greater proportion.</i></p> <p>Definitive Information Statement 2018, Voting Procedures 5.A., PDF Page 33/228</p> <p><i>In the amendment of the Articles of Incorporation, the vote required is two-thirds (2/3) of the outstanding common stock present in person or by proxy, provided constituting a quorum.</i></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.	Compliant	<p>Amended By-Laws, Stockholders Meeting, Special Stockholders Meeting, Section 2, PDF Page 6/28</p> <p><i>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.</i></p>	
6. Board clearly articulates and enforces policies with respect to treatment of minority shareholders.	Compliant	<p>Annual Corporate Governance Report 2016, 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 cumulative voting and nomination of independent directors.</p> <p><u>Nat Re PSE/SEC Disclosures</u></p> <p>All required information is fully disclosed through the submissions and filings made to the SEC and the PSE</p> <p>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</p>	
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		<i>remuneration of members of the Board and Management and other corporate disclosures required for reporting by the regulators.</i>	
7. Company has a transparent and specific dividend policy.	Compliant	SEC Form 20-IS Definitive Information Statement 2019 , Dividends, PDF Page 61/253 <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>	
Optional: Recommendation 13.1			
1. Company appoints an independent party to count and/or validate the votes at the Annual Shareholders' Meeting.	Compliant	Board Approval for the 2019 Stockholders Meeting , Item 4 <i>Appointment of the auditing firm, Punongbayan and Araullo, as board of canvassers for the 2019 annual stockholders meeting.</i>	
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	Notice of Annual Stockholders Meeting posted in PSE Edge Portal - January 24, 2019 <i>Annual Stockholders Meeting – June 27, 2019</i>	

		<i>Notice of meeting is disclosed to the regulatory body (PSE) 153 days prior to meeting date.</i>	
Supplemental to Recommendation 13.2			
1. Company's Notice of Annual Stockholders' Meeting contains the following information:	Compliant	<u>SEC Form 20-IS Definitive Information Statement 2019</u> , Director's Business Experience, PDF Pages 11 - 15 / 253	
a. The profiles of directors (i.e., age, academic qualifications, date of first appointment, experience, and directorships in other listed companies)		<i>Directors' business experiences are indicated in this report.</i>	
b. Auditors seeking appointment/re-appointment	Compliant	<u>SEC Form 20-IS Definitive Information Statement 2019</u> , Independent Public Accountant, Item 7, PDF Page 30 / 253 <i>The auditing firm of Punongbayan and Araullo will be recommended to the stockholders for appointment as the Corporation's principal accountant for the fiscal year 2019.</i>	
c. Proxy documents	Compliant	<u>SEC Form 20-IS Definitive Information Statement 2019</u> , Information Required in a Proxy Form, PDF pages 36-37 / 253	
Optional: Recommendation 13.2			
1. Company provides rationale for the agenda items for the annual stockholders meeting	Compliant	<u>Notice of 2019 Annual Stockholders' Meeting</u>	

		<i>Explanation of Agenda Items is included in the Notice of Annual Stockholders Meeting.</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	<p><u>Results of the July 5, 2018 Annual Stockholders Meeting and Organizational Meeting of the Board</u> <i>This report is disclosed to the PSE right after the meeting and publicly available the next working day.</i></p> <p><u>Draft Minutes of Organizational Meeting, July 5, 2018</u>, Other Matters, Item 9</p> <p>This was posted within 5 business days from the ASM event. Other Matters, Item 9</p> <p>Questions from the stockholders arose and appropriately responded by the management.</p>	
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	<p><u>Draft Minutes of Organizational Meeting, July 5, 2018</u></p> <p><i>Draft Minutes of the Annual Stockholders Meeting is available in our website within five business days from the end of the meeting.</i></p>	
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>Draft Minutes of Organizational Meeting, July 5, 2018</u></p> <p><i>External Auditor serves as the Board of Canvasser in the meeting, also the minutes provided the list of attendees – directors and part of management.</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 Form 20-IS Definitive Information Statement 2019</u>, Shareholder and Investor Relations, PDF Page 64/253</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 for proper resolution.</i></p>	
2. The alternative dispute mechanism is included in the company's Manual on Corporate Governance.	Compliant	<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 for proper resolution.</i></p>	
Recommendation 13.5			
1. Board establishes an Investor Relations Office (IRO) to ensure constant engagement with its shareholders.	Compliant	<p><u>Investor Relations Officer – Santino U. Sontillano</u></p>	
2. IRO is present at every shareholder's meeting.	Compliant	<p><i>Nat Re's Investor Relations Officer is:</i></p>	

		<p>San Sontillano, info@nat-re.com (e-mail address), 988-7495 (contact number)</p> <p><u>2018 ASM Attendance- Officers and Employees</u>, attendee #8</p> <p>The Investor Relations Officer was present during the 2018 Annual Stockholders Meeting.</p>	
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	<p><u>Amended By-Laws</u>, Maximum Limit of Shareholding, Article I, Section 5</p> <p><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></p>	
2. Company has at least thirty percent (30%) public float to increase liquidity in the market.	Compliant	<p><u>Public Ownership Report as of 31 March 2019</u>, PDF Page 3 / 3</p> <p><i>Public Ownership Percentage is 47.65%</i></p>	
Optional: Principle 13			

<p>1. Company has policies and practices to encourage shareholders to engage with the company beyond the Annual Stockholders' Meeting</p>	<p>Compliant</p>	<p><u>SEC Form 20-IS Definitive Information Statement 2019</u>, Shareholder and Investor Relations, PDF Page 64/253</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 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>2. Company practices secure electronic voting in absentia at the Annual Shareholders' Meeting.</p>	<p>Compliant</p>	<p><u>Amended By-Laws</u>, Election of Directors, Article II, Section 7, PDF Page 8/28</p> <p><i>The election of directors shall be by secret ballot.</i></p> <p><i>Electronic voting in absentia is for future consideration.</i></p>	

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><u>SEC Form 20-IS Definitive Information Statement 2019</u>, Shareholder and Investor Relations, PDF Page 64/253</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 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>	
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Recommendation 14.2

<p>1. Board establishes clear policies and programs to provide a mechanism on</p>	<p>Compliant</p>	<p><u>Amended by Laws, Special Stockholders' Meeting, Article II, Section 2</u></p>	
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<p>the fair treatment and protection of stakeholders.</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/investors/#analyst Investor Relations Officer - San Sontillano, info@nat-re.com (email), 988-7495 (contact number)</p> <p>Amended By-Laws, Article II, Section 2, Special Stockholders' Meeting, PDF Page 6/28</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: Whistle Blower Policy Anti-Bribery and Corruption Policy Anti-Fraud Policy and Program</p>	

		Code of Ethics 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 Form 20-IS Definitive Information Statement 2019 , Shareholder and Investor Relations, PDF Page 64/253 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 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 corporate governance issue.</i> SEC Form 20-IS Definitive Information Statement 2019 , Compliance with the Best Practices on Corporate Governance, PDF Page 63/253 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.	
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</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 of Directors through the Chairman of the Board.</i></p>	
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>	

		<i>The Company is committed in providing and maintaining a safe, secure and healthy work environment.</i>	
2. Company discloses its policies and practices that address supplier/contractor selection procedures	Compliant	Annual Corporate Governance Report 2016 , H. Role of Stakeholders Supplier/Contractor Selection Practice, Item H.1, PDF Page 50 / 67 <i>The Company exercises reasonable and prudent professional judgment when dealing with clients.</i>	

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	SEC Form 20-IS Definitive Information Statement 2019 , Employee Relations, PDF Page 64/253 <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</i>	
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		<i>guidelines in protecting the use of material inside information.</i>	
Supplement to Recommendation 15.1			
1. Company has a reward/compensation policy that accounts for the performance of the company beyond short-term financial measures.	Compliant	<p><u>Annual Corporate Governance Report</u>, Company's Rewards / Compensation Policy, Item 3(d), PDF Page 52/67</p> <p><u>Revised Performance Appraisal Form 2019</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</i></p>	

		<p><i>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> <p><u>SEC Form 20-IS Definitive Information Statement 2019</u> Employee Relations, PDF Page 64/253 <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>2. Company has policies and practices on health, safety and welfare of its employees.</p>	<p>Compliant</p>	<p><u>Health Safety and Welfare of Employees</u></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, to keep work areas and common areas in the company neat and</i></p>	

		<p><i>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. (Reference – Annual Corporate Governance Report, page 49)</i></p>	
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<p>3. Company has policies and practices on training and development of its employees.</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, PDF page 52/67)</i></p> <p><u>Revised Performance Appraisal Form 2018</u></p> <p><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</p>	<p>Compliant</p>	<p><u>Employee Training and Development</u></p>	

<p>organization through trainings to embed them in the company's culture.</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>	
Supplement to Recommendation 15.2			
<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>	
Recommendation 15.3			
<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>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> 	

		<ul style="list-style-type: none"> - Corporate Secretary or Assistant Corporate Secretary - <p>Under extraordinary circumstances, the whistleblower may also course the complaint through other reporting lines, like the President or the Chairman of the Audit Committee.</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.	Compliant	<p>Whistleblower Policy Reporting Channels in Section VII of the Policy are provided that the employees have direct access to report.</p>	
3. Board supervises and ensures the enforcement of the whistleblowing framework.	Compliant	<p>Whistleblower Policy The evaluation team reviews the report and submits its findings directly to the Board's Audit Committee for disposition.</p>	

Principle 16: The company should be socially responsible in all its dealings with the communities where it operates. It should ensure that its interactions serve its environment and stakeholders in a positive and progressive manner that is fully supportive of its comprehensive and balanced development.

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	Compliant	<p>Nat Re joined the Oasis Project Oasis LMF, Nat Re, UP-DREAM, PAGASA, and Willis Towers Watson come together to build an accessible tool for more disaster-resilient communities</p>	
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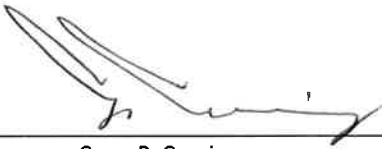
<p>the advancement of the society where it operates.</p>		<p><u>SEC Form 20-IS Definitive Information Statement 2019</u>, Corporate Social Responsibility, PDF Page 64/253</p> <p>The Company's efforts are currently focused on mitigating the consequences of natural catastrophes. It participates in conferences 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.</p>	
<p>Optional: Principle 16</p>			
<p>1. Company ensures that its value chain is environmentally friendly or is consistent with promoting sustainable development</p>	<p>Compliant</p>	<p><u>Nat Re Advocacies</u></p> <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</i></p>	
<p>2. Company exerts effort to interact positively with the communities in which it operates.</p>	<p>Compliant</p>		

		<p><i>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>	
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SIGNATURE PAGE

Pursuant to the requirement of the Securities and Exchange Commission, this Integrated Annual Corporate Governance Report (I-ACGR) is signed in behalf of the National Reinsurance Corporation of the Philippines by the undersigned, thereunto duly authorized, in the City of Makati, on May __, 2019.

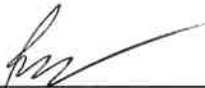
Signatures



Cezar P. Consing
Chairman



Allan R. Santos
President & CEO



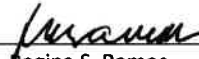
Romeo L. Bernardo
Independent Director



Ermilando D. Napa
Independent Director



Medel T. Nera
Independent Director

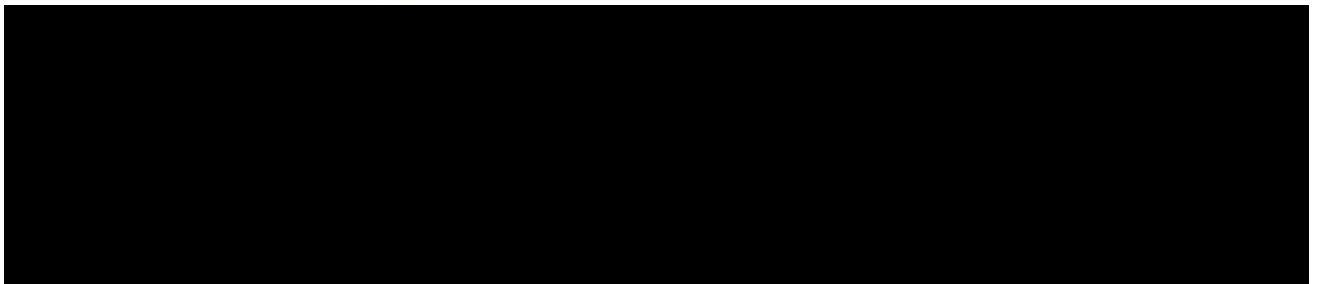


Regina S. Ramos
Vice President, Head of Risk & Compliance



Noel A. Laman
Corporate Secretary

SUBSCRIBED AND SWORN to me this MAY 28 2019, 2019, affiants exhibited to me their Passport Numbers, as follows:




ATTY. HENRY
NOTARY PUBLIC
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