

ASEAN CORPORATE GOVERNANCE SCORECARD

NATIONAL REINSURANCE CORPORATION OF THE PHILIPPINES
2023 – 2024

LEVEL 2 - Bonus Items

(B)A.	Rights and Equitable Treatment of shareholders			
(B)A.1	Right to participate effectively in and vote in general shareholders meeting and should be informed of the rules, including voting procedures, that govern general shareholders meeting.	Guiding Reference	Answer	Remarks / References
(B)A.1.1	Does the company practice real time secure electronic voting in absentia at general meetings of shareholders?	G20/OECD Principles of Corporate Governance (2023): II.C.6. The objective of facilitating shareholder identification and participation suggests that jurisdictions and/or companies promote the enlarged use of information technology in voting, including secure electronic voting in all publicly traded companies for both remote and in person meetings. The principles recommend that voting by proxy be generally accepted. Indeed, it is important for the promotion and protection of shareholder rights that investors can rely on directed proxy voting.	Yes	The company allows voting in person or in absentia at the general meeting of shareholders. Electronic voting is available. ASM Webpage - Vote 2024 Notice of Annual Stockholders' Meeting Voting in Absentia Amended By-Laws <i>Proxies, Article II, Section 5, PDF Page 13</i>

(B)A.2	Equitable treatment of shareholders			
(B)A.2.	Notice of AGM	Guiding Reference	Answer	Remarks / References
(B)A.2.1	Does the company release its notice of AGM (with detailed agendas and explanatory circulars), as announced to the Exchange, at least 28 days before the date of the meeting?	<p>G20/OECD Principles of Corporate Governance (2023):</p> <p>II.C.1. Shareholders should be furnished with sufficient and timely information concerning the date, format, location and agenda of general meetings, as well as fully detailed and timely information regarding the issues to be decided at the meeting.</p> <p>II.C.5 Effective shareholder participation in key corporate governance decisions, such as the nomination and election of board members, should be facilitated.</p> <p>ICGN (2021) PRINCIPLE 10: 10.3 Meeting Notice The board should ensure that the meeting agenda is posted on the company's website at least one month prior to the meeting taking place.</p>	Yes	<p>The notice of the AGM (with detailed agendas and explanations) was submitted to the PSE on April 26, 2024, with the scheduled ASM date of June 26, 2024, more than 60 days before the stockholders' meeting.</p> <p>Notice of 2024 Annual Stockholders' Meeting, submitted to the PSE on 26 April 2024</p> <p><i>The company also published the notice in 2 major newspapers of general circulation in print and online on May 27 and 28, 2024, both of which were published 28 days prior to the meeting date:</i></p> <p>May 28, 2024: BusinessWorld https://www.bworldonline.com/spotlight/2024/05/28/597269/national-reinsurance-corporation-of-the-philippines-to-conduct-its-annual-stockholders-meeting-on-june-26-2/</p> <p>PhilStar OneNews https://www.onenews.ph/articles/national-reinsurance-corporation-of-the-philippines-notice-of-annual-meeting-of-stockholders-may-28-2024</p> <p>May 27, 2024: BusinessWorld - https://www.bworldonline.com/spotlight/2024/05/27/597258/national-reinsurance-corporation-of-the-philippines-to-conduct-its-annual-stockholders-meeting-on-june-26/#google_vignette</p> <p>PhilStar / OneNews - https://www.onenews.ph/articles/national-reinsurance-corporation-of-the-philippines-notice-of-annual-meeting-of-stockholders-may-27-2024</p>

(B).B.	Sustainability and Resilience			
(B).B.1		Guiding Reference	Answer	Remarks / References
(B).B.1.1	Does the company disclose how it manages climate-related risks and opportunities?	<p>G20/OECD Principles of Corporate Governance (2023): VI.A.4. If a company publicly sets a sustainability-related goal or target, the disclosure framework should provide that reliable metrics are regularly disclosed in an easily accessible form to allow investors to assess the credibility and progress towards meeting the announced goal or target.</p> <p>ICGN (2021) PRINCIPLE 7: 7.5 Climate change The board should assess the impact of climate change on the company business model and how it will be adapted to meet the needs of a net zero economy as part of a long-term strategy. This includes setting and disclosing targets to reduce carbon emissions and a period for achievement. Where climate change risks, whether physical or transitional, are identified as material and relevant, reporting should include discussion of the diligence process, strategy, metrics, targets and initiatives used to manage the risks.</p> <p>TCFD, Metrics and Targets</p> <p>a. Disclose the metrics used by the organisation to assess climate-related risks and opportunities in</p>	Yes	<p>Nat Re 2023 Sustainability Report</p> <p>1) <i>Climate-related opportunities: Initiatives with external parties, PDF Page 9 – 10 / 24</i> Nat Re values forging meaningful relationships with both its private and public sector partners to help develop the reinsurance industry and promote disaster risk financing and insurance and environment sustainability.</p> <p>2) <i>Climate-Related Risks, PDF Page 13/24</i> Catastrophic events brought on by natural disasters, such as typhoons and floods, are Nat Re’s biggest climate-related risk exposure. This is one significant risk for Nat Re. The Report includes further information on impact, strategies and actions taken.</p>

		<p>line with strategy and risk management process</p> <p>b. Disclose Scope 1, Scope 2, and if appropriate, Scope 3 GHG emissions and related risks</p> <p>c. Describe the targets used by the organisation to manage climate-related risks and opportunities and performance against targets</p>		
(B).B.1.2	Does the company disclose that its Sustainability Report / Sustainability Reporting is externally assured?	<p>G20/OECD Principles of Corporate Governance (2023)</p> <p>VI.A.5. Phasing in of requirements should be considered for annual assurance attestations by an independent, competent and qualified assurance service provider in accordance with high quality international assurance standards in order to provide an external and objective assessment of a company's sustainability-related disclosure.</p> <p>ICGN (2021) PRINCIPLE 7: 7.4 Sustainability reports</p> <p>The board should provide sustainability reporting to reflect the complexities inherent in a contemporary business by blending financial, human and natural capital considerations in the context of a company's current and future strategic direction.</p> <p>Such disclosures should:</p> <p>f. be strengthened where possible by audit or independent assurance that is carried out annually having regard to established disclosure standards.</p> <p>GRI 2-5 External assurance</p> <p>The organization shall: describe its policy and practice for seeking external assurance, including whether and how the highest governance body and senior executives are</p>	No	<p>Nat Re 2023 Sustainability Report</p> <p><i>About our Report, PDF Page 2 / 24</i></p> <p>No external assurance provider was engaged in this report.</p>

		<p>involved;</p> <p>If the organization’s sustainability reporting has been externally assured:</p> <ul style="list-style-type: none"> i. provide a link or reference to the external assurance report(s) or assurance statement(s); ii. describe what has been assured and on what basis, including the assurance standards used, the level of assurance obtained, and any limitations of the assurance process; iii. describe the relationship between the organization and the assurance provider. 		
(B).B.1.3	Does the company disclose the engagement channel with stakeholder groups and how the company responds to stakeholders’ ESG concerns?	<p>G20/OECD Principles of Corporate Governance (2023)</p> <p>VI.B. Corporate governance frameworks should allow for dialogue between a company, its shareholders and stakeholders to exchange views on sustainability matters as relevant for the company’s business strategy and its assessment of what matters ought to be considered material.</p> <p>GRI 2-29 Approach to stakeholder engagement</p> <p>The organization shall describe its approach to engaging with stakeholders, including:</p> <ul style="list-style-type: none"> i. the categories of stakeholders it engages with, and how they are identified; ii. the purpose of the stakeholder engagement; iii. how the organization seeks to ensure meaningful engagement with stakeholders 	Yes	<p>Board Meeting Excerpt 28 Sept 2023 ESG Reporting by the GRPT Committee</p> <p>Institutional shareholders have nominee directors and that management reports to the GRPT and Board ESG agenda and related data regularly.</p> <p>2023 Nat Re Tree Planting at Sierra Madre Partnered with FEED, Inc.</p> <p>2024 Nat Re Mangrove Planting at Baroro River, La Union Partnered with FEED, Inc.</p> <p>https://www.nat-re.com/contact-us/</p> <p>Stakeholders may use the general inquiry in the ‘Contact Us’ page in Nat Re website should they have concerns related to ESG and they will be responded accordingly.</p>
(B).B.1.4	Does the company have a unit / division / committee who is specifically responsible to manage the sustainability matters?	<p>G20/OECD Principles of Corporate Governance (2023):</p> <p>VI.C. The corporate governance framework should ensure that boards adequately consider material sustainability risks and opportunities when fulfilling their key functions in reviewing, monitoring and</p>	Yes	<p>Nat Re Governance and Related Party Transaction Committee Charter</p> <p>Responsibilities, Item C. Sustainability, PDF Page 6 / 8</p>

		<p>guiding governance practices, disclosure, strategy, risk management and internal control systems, including with respect to climate-related physical and transition risks. When fulfilling their key functions, boards are increasingly ensuring that material sustainability matters are also considered. Notably, the board has a role in ensuring that effective governance and internal controls are in place to improve the reliability and credibility of sustainability-related disclosure. For instance, boards may assess if and how sustainability matters affect companies' risk profiles. Such assessments may also relate to key executive remuneration and nomination (e.g. whether targets integrated into executives' compensation plans would be quantifiable, linked to financially material risks and incentivise a long-term view) or how sustainability is approached by the board and its committees...</p> <p>ICGN (2021) PRINCIPLE 1: 1.1 Responsibilities e. accountability for the governance of sustainability ensuring the integration of human capital (particularly the workforce) and natural capital management in strategy, innovation and risk;</p>		
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(B).B.1.5	Does the company disclose board of directors/commissioners' oversight of sustainability-related risks and opportunities?	<p>G20/OECD Principles of Corporate Governance (2023)</p> <p>VI.C. The corporate governance framework should ensure that boards adequately consider material sustainability risks and opportunities when fulfilling their key functions in reviewing, monitoring and guiding governance practices, disclosure, strategy, risk management and internal control systems, including with respect to climate-related physical and transition risks.</p> <p>ICGN (2021) PRINCIPLE 1: 1.1 Responsibilities f. overseeing the company's risk assessment and management (including relevant systemic risks such as climate change, ecological degradation, social inequality and digital transformation) that affect sustainable value creation and preservation and reviewing policies annually, or with any significant business change;</p> <p>TCFD, Governance. a. Describe the board's oversight of climate-related risks and opportunities.</p>	Yes	<p>Nat Re Governance and Related Party Transaction Committee Charter Responsibilities, Item C. Sustainability, PDF Page 6 / 8</p> <p>Board Meeting Excerpt 26 March 2024 2023 Sustainability Report Approval Sustainability Report Approval, PDF Page 1 Agenda item 1, PDF Page 2</p>
(B).B.1.6	Does the company disclose the linkage between executive directors and senior management remuneration and sustainability performance for the previous year?	<p>G20/OECD Principles of Corporate Governance (2023):</p> <p>VI.C. When fulfilling their key functions, boards are increasingly ensuring that material sustainability matters are also considered. Notably, the board has a role in ensuring that effective governance and internal controls are in place to improve the reliability and credibility of sustainability-related disclosure. For instance, boards may assess if and how sustainability matters affect companies' risk profiles. Such assessments may also relate to key executive remuneration and nomination (e.g. whether targets integrated</p>	No	<p>Nat Re Governance and Related Party Transaction Committee Charter Responsibilities, Item C. Sustainability, PDF Page 6 / 8</p> <p>Nat Re 2023 Sustainability Report The report discussed the material topics and related impact of the Company on its People.</p>

		<p>into executives' compensation plans would be quantifiable, linked to financially material risks and incentivise a long-term view) or how sustainability is approached by the board and its committees...</p> <p>ICGN (2021) PRINCIPLE 5: 5.3 Performance measures</p> <p>In addition to financial performance metrics, quantifiable indicators that are material to the company's sustainable value creation and preservation, such as human capital and natural capital should be considered. Metrics guiding performance grants should be based on audited financial data, and, where possible, assured sustainability indicators.</p> <p>GRI 2-19 Remuneration Policies The organization shall describe how the remuneration policies for members of the highest governance body and senior executives relate to their objectives and performance in relation to the management of the organization's impacts on the economy, environment, and people.</p>		
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(B).B.1.7	Is the company's Whistle Blowing System managed by independent parties / institutions?	<p>ICGN (2021) PRINCIPLE 4: Corporate culture</p> <p>4.2 Whistleblowing The board should ensure that the company has in place an independent, confidential mechanism whereby a worker, supplier, shareholder, or relevant stakeholder can (without fear of retribution) raise issues of particular concern with regard to potential or suspected breaches of a company's code of ethics or local law.</p>	Yes	<p>A Whistleblower may report, formally or anonymously, to independent parties such as the Head of Internal Audit (3rd line defence, independent to management) and Corporate Secretary (partner of CTPLSJ law firm).</p> <p>Under extraordinary circumstances, the whistleblower may also course the complaint through Chairman of the Audit Committee, an Independent Director.</p> <p>Nat Re WhistleBlower Policy</p>
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(B).C.	Disclosure and transparency			
(B).C.1	Quality of Annual Report	Guiding Reference		
(B).C.1.1	Are the audited annual financial report /statement released within 60 days from the financial year end?	<p>G20/OECD Principles of Corporate Governance (2023):</p> <p>IV.A. Disclosure should include, but not be limited to, material information on:</p> <p>IV.A.1. The financial and operating results of the company.</p> <p>Audited financial statements showing the financial performance and the financial situation of the company (most typically including the balance sheet, the profit and loss statement, the cash flow statement and notes to the financial statements) are the most widely used source of information on companies...</p>	No	<p>The Annual Report with the Financial Statement was disclosed last April 29, 2024 which is 120 days from the financial year-end.</p> <p>Nat Re 2023 Annual Report_PSE submission</p>

(B).D.	Responsibilities of the Board	<i>In this section, independent directors / commissioners, who have served for more than nine years or two terms of five years each (whichever is higher) in the same capacity, from their date of first appointment, will not be considered independent even if they are deemed to be as such in their respective jurisdictions.</i>		
(B).D.1	Board Competencies and Diversity	Guiding Reference		
(B).D.1.1	Does the company have at least one female independent director/commissioner?	G20/OECD Principles of Corporate Governance (2023): V.E. The boards should be able to exercise objective independent judgment on corporate affairs. V.E.4. ...Jurisdictions and companies should also consider additional and complementary measures to	None	All Independent Directors of the Company are male. SEC 17-A Annual Report as of December 31, 2023 Directors, including Independent Directors, PDF Page 37 / 194
(B).D.1.2	Does the company have a policy and disclose measurable objectives for implementing its board diversity and report on progress in achieving its objectives?	strengthen the female talent pipeline throughout the company and reinforce other policy measures aimed at enhancing board and management diversity...	Yes	Board Diversity Policy Nat Re 2023 Sustainability Report <i>Governance, PDF Page 13 / 24</i> In 2023, Nat Re had five (5) female directors, including the Chairperson of the Board.

(B).D.2	Board Structure	Guiding Reference	Answer	Remarks / References
(B).D.2.1	Is the Nominating Committee comprise entirely of independent directors/commissioners?	<p>ICGN (2021) PRINCIPLE 2: 2.2 Independence levels</p> <p>The board should comprise a majority of independent non-executive directors as a general standard. This should be regarded as best practice not only for companies with widely-held share ownership, but also for companies with concentrated share ownership and subsidiary companies. At a minimum, controlled companies should seek to link board independence levels to the economic stake held by minority shareholders.</p>	No	<p>Nomination and Compensation Committee is composed of five non-executive directors and only one of them is Independent Director.</p> <p>Board Governance Nomination and Compensation Committee</p>
(B).D.2.2	Does the Nominating Committee undertake the process of identifying the quality of directors aligned with the company's strategic directions?	<p>G20/OECD Principles of Corporate Governance (2023) V.D.6. Ensuring a formal and transparent board nomination and election process.</p> <p>The board, with the support of a nomination committee if established, has an essential role to play in ensuring that the nomination and election processes are respected. First, while actual procedures for nomination may differ among jurisdictions, the board has the responsibility to make sure that established procedures are transparent and respected. Second, the board has a key role in defining the collective or individual profile of board members that the company may need at any given time, considering the appropriate knowledge, competencies and expertise to complement the existing skills of the board. Third, the board or nomination committee has the responsibility to identify potential candidates to meet</p>	Yes	<p>Nomination and Compensation Committee Charter Nomination, Item 3.2, PDF page 4 / 4</p> <p>Nat Re's Board Nomination and Election Rules <i>Rule III, Nomination of Candidates, PDF Pages 2 -4</i></p>

		desired profiles and propose them to shareholders, and/or consider those candidates advanced by shareholders...		
(B).D.3	Board Appointments and Re-Election	Guiding Reference		
(B).D.3.1	Does the company use 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/commissioners?	G20/OECD Principles of Corporate Governance (2023): V.D.6. ...The board or nomination committee has the responsibility to identify potential candidates to meet desired profiles and propose them to shareholders, and/or consider those candidates advanced by shareholders...	Yes	The Company uses external sources for candidates leveraging our major shareholders' databases of director candidates. Thus we have a good mix of directors with varying knowledge and expertise for both our male and female directors. Nat Re Leadership Nat Re's Board Nomination and Election Rules <i>Nomination of Candidates, Rule III, PDF page 2 – 3 / 20</i>
(B).D.4	Board Structure & Composition	Guiding Reference		
(B).D.4.1	Do independent non-executive directors/commissioners make up more than 50% of the board of directors/commissioners for a company with independent chairman?	G20/OECD Principles of Corporate Governance (2023): V.E.1. Boards should consider assigning a sufficient number of independent board members capable of exercising independent judgement to tasks where there is a potential for conflicts of interest. Examples of such key responsibilities are ensuring the integrity of financial and other corporate reporting, the review of related party transactions, and nomination and remuneration of board members and key executives.	No	Twelve of the 13 directors are non-executive directors (NED). Only the CEO is the executive director. The Chairperson is a female NED. Three of the 13 directors are independent NED. All of them are chairmans of the risk oversight committee, audit committee, and the governance and related party transaction committee. The Company complies with the SEC requirements to have at least 20% of our Board of Directors as Independent Directors. Amended Articles of Incorporation <i>Item Sixth, PDF Page 6</i>
(B).D.5	Risk Oversight	Guiding Reference		

<p>(B).D.5.1</p>	<p>Does the company disclose that its Board identified key risk in relation to information technology including disruption, cyber security, and disaster recovery, to ensure that such risks are managed and integrated into the overall risk management framework?</p>	<p>G20/OECD Principles of Corporate Governance (2023): V.D.2. When fulfilling these key functions, the board should ensure that material sustainability matters are considered. With a view to increasing resilience, boards should also ensure that they have adequate processes in place within their risk management frameworks to deal with significant external company relevant risks, such as health crises, supply chain disruptions and geopolitical tensions. These frameworks should work ex ante (as companies should foster their resilience in the event of a crisis) and ex post (as companies should be able to set up crisis management processes at the onset of a sudden negative event).</p> <p>Of notable importance is the management of digital security risks, which are dynamic and can change rapidly. Risks may relate, among other matters, to data security and privacy, the handling of cloud solutions, authentication methods, and security safeguards for remote personnel working on external networks. As with other risks, these risks should be integrated more broadly within the overall cyclical company risk management framework.</p>	<p>Yes</p>	<p>Nat Re 2023 Sustainability Report Business Resiliency Through Nat Re’s Business Continuity Plan and Data Security, PDF Page 9 / 24 Technology risks and related activities are overseen by the Board Risk Oversight Committee</p> <p>Corporate Information Security Policy</p> <p>Business Continuity Policy</p> <p>SEC 17-A Annual Report as of December 31, 2023 <i>Risk Management Objectives, PDF page 107 / 194</i></p> <p>Board Risk Oversight Committee Charter <i>Section 2. c, PDF Page 3</i></p>
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(B).D.6	Board Performance	Guiding Reference		
(B).D.6.1	Does the company have a separate board level Risk Committee?	ICGN (2021) PRINCIPLE 6: 6.5 Risk Committee While ultimate responsibility for a company's risk management approach rests with the full board, having a risk committee can be an effective mechanism to bring the transparency, focus and independent judgement needed to oversee the company's approach to risk management and internal controls. A risk committee, and the board more generally, should be informed through the company's enterprise-wide internal control and risk management system.	Yes	The Company has a Risk Oversight Committee Nat Re Risk Oversight Committee