

**2018 ASEAN CORPORATE GOVERNANCE SCORECARD**

**MALAYAN INSURANCE COMPANY INC.**

**PART E: RESPONSIBILITIES OF THE BOARD**

		Source Document	Yes/No	Remarks
<b>E.1</b>	<b>Board Duties and Responsibilities</b>			
	<b>Clearly defined board responsibilities and corporate governance policies</b>			
E.1.1	Does the company disclose its corporate governance policy / board charter?	Corporate Governance Manual; Annual Report - Corporate Policies (Page 14-17)	Y	The Company discloses its Corporate Governance Policy in the Corporate Governance Manual. The same may also be found in the Annual Report. The public can access these document(s) through the Company's website.
E.1.2	Are the types of decisions requiring board of directors/commissioners' approval disclosed?	Corporate Governance Manual (Page 4); Annual Report (Page 14-15); and By-laws (Pages 3-4)	Y	The Corporate Governance Manual and Report, as well as the Company's By-Laws and Annual Report, disclose matters which require Directors' approval. The public can access these document(s) through the Company's website.
E.1.3	Are the roles and responsibilities of the board of directors/commissioners clearly stated?	Corporate Governance Manual (Pages 4-5)	Y	The roles and responsibilities of the members of the Board are expressly provided in the Corporate Governance Manual. The public can access the document(s) through the Company's website.
	<b>Corporate Vision/Mission</b>			
E.1.4	Does the company have a vision and mission statement?	Annual Report (Page 139)	Y	The Company's Mission is: "to provide policyholders the best non-life insurance protection and fair and prompt settlement of valid claims at all times." The public can access the document(s) through the Company's website
E.1.5	Has the board reviewed the vision and mission/strategy in the last financial year?	Corporate Governance Manual (Page 4)	Y	Among the responsibilities of the members of the Board is to review the Corporate Vision and Mission. A review has been conducted and the Company has decided to adhere to the vision and mission of the previous year. The vision and mission/ strategy is found in the Annual Report.
E.1.6	Does the board of directors monitor/oversee the implementation of the corporate strategy?	Corporate Governance Manual (Page 4); Minutes of the Annual Stockholders Meeting	Y	The public can access the CGM and Minutes of the ASM through the Company's website.

E.2	Board structure			
<b>Code of Ethics or Conduct</b>				
E.2.1	Are the details of the code of ethics or conduct disclosed?	Malayan Insurance Code of Ethics; YGC Code of Business Conduct and Ethics	Y	The public can access the document(s) through the Company's website.
E.2.2	Does the company disclose that all directors/commissioners, senior management and employees are required to comply with the code?	YGC Code of Business Conduct and Ethics Manual (Page 2); Code of Ethics (Pages 1-2)	Y	The public can access the document(s) through the Company's website.
E.2.3	Does the company disclose how it implements and monitors compliance with the code of ethics or conduct?	YGC Code of Business Conduct and Ethics (Pages 3- 4)	Y	The Code of Business Conduct and Ethics provides for the ethical standards an employee must observe and the means to monitor compliance with the same. The public can access the document(s) through the Company's website.
<b>Board Structure &amp; Composition</b>				
E.2.4	Do independent directors/commissioners make up at least 50% of the board of directors/commissioners?	Corporate Governance Manual	N	The requirement of the law is to have at least two (2) independent directors. The Company complies with the requirement. The same rule is adopted in the Corporate Governance Manual. The public can access the document(s) through the Company's website.
E.2.5	Are the independent directors/commissioners independent of management and major/ substantial shareholders?	Corporate Governance Manual (Page 1); Annual Report (Page 136)	Y	The Independent Directors are not officers or employees of the corporation, its parent or subsidiaries, or any other individuals having any relationship with the corporation, which could interfere with the exercise of independent judgment. The public can access the document(s) through the Company's website.
E.2.6	Does the company have a term limit of nine years or less for its independent directors/commissioners?	IC CL No. 2014-49	Y	The Company follows the term limits for independent directors under IC CL No. 2014-49. We reiterate that the Company has zero tolerance for violation of laws. The public can access the document(s) through the Company's website.
E.2.7	Has the company set a limit of five board seats that an individual independent/non-executive director/commissioner may hold simultaneously?	Corporate Governance Manual (Page 6)	N	The Company follows the requirement as mandated by appropriate regulations or laws. We reiterate that the Company has zero tolerance for violation of laws. The public can access it through the Company's website.
E.2.8	Does the company have any independent directors/commissioners who serve on a total of more than five boards of publicly-listed companies?	Annual Report (Page 136); Profile of the Board of Directors	N	The public can access the document(s) through the Company's website.
E.2.9	Does the company have any executive directors who serve on more than two boards of listed companies outside of the group?	Annual Report (Pages 130-134)	N	Our Executive Directors, Ms. Yvonne S. Yuchengco and Mr. Jose Paolo Abaya, do not serve on more than two (2) boards outside the Malayan Group. The public can access the document(s) through the Company's website.
<b>Nominating Committee</b>				
E.2.10	Does the company have a Nominating Committee (NC)?	Corporate Governance Manual (Pages 6-7)	Y	The Corporate Governance Manual discloses that the Company shall have its own Remuneration and Nomination Committee. The public can access the document(s) through the Company's website.

E.2.11	Does the Nominating Committee comprise of a majority of independent directors/commissioners?	Corporate Governance Manual (Page 6); Annual Report (Page 132)	Y	The constitution of the Nominating Committee follows what is stated in the Corporate Governance Manual. The public can access the document(s) through the Company's website.
E.2.12	Is the chairman of the Nominating Committee an independent director/commissioner?	Corporate Governance Manual (Page 6); Annual Report (Page 132)	Y	Mr. Renato Valencia is the Chairman of the Remuneration and Nomination Committee and is an Independent Director of the Company. The public can access the document(s) through the Company's website.
E.2.13	Does the company disclose the terms of reference/governance structure/charter of the Nominating Committee?	Annual Report (Page 15); Charter of the Remuneration and Nomination Committee	Y	The Charter may be accessed through the Company's Website. The public can access the document(s) through the Company's website.
E.2.14	Did the Nominating Committee meet at least twice during the year?	2018 Attendance Matrix	Y	The Nominating Committee met at least twice during the year. The public can access the document(s) through the Company's website.
E.2.15	Is the attendance of members at Nominating Committee meetings disclosed?	2018 Attendance Matrix	Y	The members of the Nominating Committee were present at all meetings. The public can access the document(s) through the Company's website.
	<b>Remuneration Committee/ Compensation Committee</b>			
E.2.16	Does the company have a Remuneration Committee?	Corporate Governance Manual (Pages 6-7)	Y	The Corporate Governance Manual discloses that the Company has a Remuneration and Nomination Committee. The public can access the document(s) through the Company's website.
E.2.17	Does the Remuneration Committee comprise of a majority of independent directors/commissioners?	Corporate Governance Manual; Annual Report (Page 15 & 132)	Y	The composition of the Remuneration and Nomination Committee follows what is stated in the Corporate Governance Manual. The members of the Remuneration Committee are Teodoro D. Regala, Renato C. Valencia and Michele Marie Y. Dee. The public can access the document(s) through the Company's website.
E.2.18	Is the chairman of the Remuneration Committee an independent director/commissioner?	Annual Report (Page 132)	Y	Mr. Renato Valencia is the Chairman of the Remuneration and Nomination Committee and is an Independent Director of the Company. The public can access the document(s) through the Company's website.
E.2.19	Does the company disclose the terms of reference/governance structure/ charter of the Remuneration Committee?	Annual Report (Page 15); Charter of the Remuneration and Nomination Committee	Y	The public can access the document(s) through the Company's website.
E.2.20	Did the Remuneration Committee meet at least twice during the year?	2018 Attendance Matrix	Y	The Remuneration Committee met at least twice during the year. The public can access the document(s) through the Company's website.
E.2.21	Is the attendance of members at Remuneration Committee meetings disclosed?	2018 Attendance Matrix	Y	The members of the Remuneration Committee were present during the meeting. The public can access the document(s) through the Company's website.
	<b>Audit Committee</b>			
E.2.22	Does the company have an Audit Committee?	Corporate Governance Manual (Pages 7-8)	Y	<u>Default item</u> . The public can access the document(s) through the Company's website.
E.2.23	Does the Audit Committee comprise entirely of non-executive directors/commissioners with a majority of independent directors/commissioners?	Annual Report (Page 5 & 132)	Y	The constitution of the Nominating Committee follows what is stated in the Corporate Governance Manual. The public can access the document(s) through the Company's website.

E.2.24	Is the chairman of the Audit Committee an independent director/commissioner?	Annual Report (Page 5 &132)	Y	Default. The Chairman of the Audit Committee is Mr. Renato C. Valencia, who is an Independent Director of the Company. The public can access the document(s) through the Company's website.
E.2.25	Does the company disclose the terms of reference/governance structure/charter of the Audit Committee?	Audit Committee Charter; Annual Report (Page 15)	Y	The public can access the document(s) through the Company's website.
E.2.26	Does the Annual Report disclose the profile or qualifications of the Audit Committee members?	Annual Report - Director's Profile (Page 15 & 136); Profile of the Board of Directors (Annex to the Notice of Annual Stockholders Meeting)	Y	The Annual Report of the Company and the Profiles show the profile and qualifications of the members of the Audit Committee. The public can access the source document(s) through the Company's website.
E.2.27	Does at least one of the independent directors/commissioners of the committee have accounting expertise (accounting qualification or experience)?	Annual Report - Director's Profile (Page 131); Profile of the Board of Directors (Annex to the Notice of Annual Stockholders Meeting)	Y	One of the Company's Independent Directors, Mr. Armando Medina, possesses a degree and experience in Accounting. The public can access the document(s) through the Company's website.
E.2.28	Did the Audit Committee meet at least four times during the year?	2018 Attendance Matrix	Y	The Summary of Board Meetings disclose the meetings of the Audit Committee. The public can access the document(s) through the Company's website.
E.2.29	Is the attendance of members at Audit Committee meetings disclosed?	2018 Attendance Matrix	Y	The Summary of Board Meetings disclose who attended the meetings of the Audit Committee. The public can access the document(s) through the Company's website.
E.2.30	Does the Audit Committee have primary responsibility for recommendation on the appointment, and removal of the external auditor?	Corporate Governance Manual (Page 7-8); Minutes of the Annual Stockholders Meeting (Page 6)	Y	Among the major responsibilities of the Audit Committee is to recommend the appointment and removal of the external auditor. In fact, last ASM the Audit Committee chair nominated the SGV. The public can access the document(s) through the Company's website.
<b>E.3</b>	<b>Board Processes</b>			
	<b>Board meetings and attendance</b>			
E.3.1	Are the board of directors meetings scheduled before the start of financial year?	Notice of Tentative schedule of the Board of Director Meetings	Y	The public can access the document(s) through the Company's website.
E.3.2	Does the board of directors/commissioners meet at least six times during the year?	2018 Attendance Matrix	Y	The public can access the document(s) through the Company's website.
E.3.3	Has each of the directors/commissioners attended at least 75% of all the board meetings held during the year?	2018 Attendance Matrix	Y	The public can access the document(s) through the Company's website.
E.3.4	Does the company require a minimum quorum of at least 2/3 for board decisions?	By-laws	N	The Company follows what is provided in the By-laws and the Corporation Code. The public can access the document(s) through the Company's website.
E.3.5	Did the non-executive directors/commissioners of the company meet separately at least once during the year without any executives present?	2018 Attendance Matrix	Y	The public can access the document(s) through the Company's website.

<b>Access to information</b>				
E.3.6	Are board papers for board of directors/commissioners meetings provided to the board at least five business days in advance of the board meeting?	Notice of Annual Stockholders Meeting	Y	Among the items enclosed as part of the Notice Agenda are materials for the said board meeting. Both are provided ahead of the meeting date. The public can access the document(s) through the Company's website.
E.3.7	Does the company secretary play a significant role in supporting the board in discharging its responsibilities?	By-laws; Minutes of the Annual Stockholders' Meeting (Page 2, 4-6, & 18)	Y	In all Company meetings, the Company Secretary acts as the Corporate Secretary. The public can access the document(s) through the Company's website.
E.3.8	Is the company secretary trained in legal, accountancy or company secretarial practices?	Biographical Data of Corporate Secretary	Y	Biographical Data of the Corporate Secretary shows that he possesses the required educational background and training to effectively perform his functions. The public can access the document(s) through the Company's website.
<b>Board Appointments and Re-Election</b>				
E.3.9	Does the company disclose the criteria used in selecting new directors/commissioners?	Corporate Governance Manual, (Page 10)	Y	The Corporate Governance Manual provides for the criteria in selecting new directors. The public can access the document(s) through the Company's website.
E.3.10	Does the company disclose the process followed in appointing new directors/commissioners?	Corporate Governance Manual, (Page 10)	Y	The Corporate Governance Manual expressly provides for the process to be observed in appointing new directors. The public can access the document(s) through the Company's website.
E.3.11	Are all the directors/commissioners subject to re-election at least once every three years?	By laws, Article III (Page 3)	Y	Article III of the Company By Laws provides that Directors shall be elected by the Stockholders for a term of one (1) year and shall serve until the election and acceptance of their duly qualified successors. The public can access the document(s) through the Company's website.
<b>Remuneration Matters</b>				
E.3.12	Does the company disclose its remuneration (fees, allowances, benefit-in-kind and other emoluments) policy/practices (i.e. the use of short term and long term incentives and performance measures) for its executive directors and CEO?	Annual Report - Corporate Policies (Pages 14-17)	Y	The public can access the document(s) through the Company's website.
E.3.13	Is there disclosure of the fee structure for non-executive directors/commissioners?	Annual Report - Corporate Policies (Pages 14-17)	Y	The public can access the document(s) through the Company's website.
E.3.14	Do the shareholders or the Board of Directors approve the remuneration of the executive directors and/or the senior executives?	Annual Report (Page 15); Charter of the Remuneration and Nomination Committee (Page 2)	Y	The public can access the document(s) through the Company's website.
E.3.15	Do independent non-executive directors/commissioners receive options, performance shares or bonuses?	Corporate Governance Manual	N	The public can access the document(s) through the Company's website.

<b>Internal Audit</b>				
E.3.16	Does the company have a separate internal audit function?	Corporate Governance Manual (Page 7-8); Internal Audit Department Table of Organization	Y	Both the Table of Organization of the Company and the Corporate Governance Manual disclose that the Company has an Internal Audit Department. The public can access the document(s) through the Company's website.
E.3.17	Is the head of internal audit identified or, if outsourced, is the name of the external firm disclosed?	Corporate Governance Manual (Page 7-8); Internal Audit Department Table of Organization	Y	The public can access the document(s) through the Company's website.
E.3.18	Does the appointment and removal of the internal auditor require the approval of the Audit Committee?	Audit Committee Charter (Page 3); Annual Report (Page 15)	Y	The public can access the document(s) through the Company's website.
<b>Risk Oversight</b>				
E.3.19	Does the company disclose the internal control procedures/risk management systems it has in place?	Corporate Governance Manual (Pages 9 & 10)	Y	The public can access the document(s) through the Company's website.
E.3.20	Does the Annual Report disclose that the board of directors/commissioners has conducted a review of the company's material controls (including operational, financial and compliance controls) and risk management systems?	Annual Report (Pages 5-9 & 15)	Y	The public can access the document(s) through the Company's website.
E.3.21	Does the company disclose how key risks are managed?	Corporate Governance Manual (Page 11); Risk Management Committee Charter; Annual Report (Page 15)	Y	The public can access the document(s) through the Company's website.
E.3.22	Does the Annual Report contain a statement from the board of directors/commissioners or Audit Committee commenting on the adequacy of the company's internal controls/risk management systems?	Annual Report (Page 73)	Y	The public can access the document(s) through the Company's website.
<b>E.4 People on the Board</b>				
<b>Board Chairman</b>				
E.4.1	Do different persons assume the roles of chairman and CEO?	Annual Report (Page 131)	Y	Different persons assume the roles of Chairman and CEO. Ms. Helen Y. Dee is the Chairperson, Ms. Yvonne S. Yuchengco is the President. The public can access the document(s) through the Company's website.
E.4.2	Is the chairman an independent director/commissioner?		N	
E.4.3	Has the chairman been the company CEO in the last three years?	General Information Sheet for the years 2016, 2017, and 2018/ Directors and Officers	N	The Company Chairperson, Ms. Helen Y. Dee, is not the Company CEO/President for the immediately preceding three (3) years. Ms. Yvonne S. Yuchengco has been the President for the last three (3) years. The public can access the document(s) through the Company's website.
E.4.4	Are the role and responsibilities of the chairman disclosed?	By Laws	Y	The Company By Laws expressly provides for the roles and responsibilities of the Chairman. The public can access the document(s) through the Company's website.
<b>Skills and Competencies</b>				
E.4.5	Does at least one non-executive director/commissioner have prior working experience in the major sector that the company is operating in?	Annual Report - Profile of the Board of Directors (Pages 135-137)	Y	The Chairman, Ms. Helen Y. Dee used to be the President of Malayan Insurance for more than 25 years. The public can access the document(s) through the Company's website.
E.4.6	Does the company disclose a board of directors/commissioners diversity policy?	Corporate Governance Manual (Page 6)	Y	The Company's Corporate Governance Manual provides for a diversity policy among the members of the Board. The public can access the document(s) through the Company's website.

<b>E.5</b>	<b>Board Performance</b>			
	<b>Directors Development</b>			
E.5.1	Does the company have orientation programmes for new directors/commissioners?	Orientation Program for New Directors	Y	The public can access the document(s) through the Company's website.
E.5.2	Does the company have a policy that encourages directors/commissioners to attend on-going or continuous professional education programmes?	Corporate Governance Manual (Page 10)	Y	The Company encourages members of the Board to undergo continuous professional education programs. This policy is embodied in the Corporate Governance Manual of the Company. The public can access the document(s) through the Company's website.
	<b>CEO/Executive Management Appointments and Performance</b>			
E.5.3	Does the company disclose how the board of directors/commissioners plans for the succession of the CEO/Managing Director/President and key management?	Corporate Governance Manual/ Company Policy on Succession (Page 4)	Y	The public can access the document(s) through the Company's website.
E.5.4	Does the board of directors/commissioners conduct an annual performance assessment of the CEO/Managing Director/President?	Remuneration and Nomination Charter; Annual Report (Page 15)	Y	The public can access the document(s) through the Company's website.
	<b>Board Appraisal</b>			
E.5.5	Is an annual performance assessment conducted of the board of directors/commissioners?	Remuneration and Nomination Charter; Annual Report (Page 15)	Y	The public can access the document(s) through the Company's website.
E.5.6	Does the company disclose the process followed in conducting the board assessment?	Corporate Governance Manual (Pages 6-7)	Y	The public can access the document(s) through the Company's website.
E.5.7	Does the company disclose the criteria used in the board assessment?	Corporate Governance Manual (Pages 6-7)	Y	The Corporate Governance Manual shows the criteria used in the assessment of the Board. The public can access the document(s) through the Company's website.
	<b>Director Appraisal</b>			
E.5.8	Is an annual performance assessment conducted of individual director/commissioner?	Remuneration and Nomination Charter; Annual Report (Page 15)	Y	Members of the Board undergo regular performance assessment. The public can access the document(s) through the Company's website.
E.5.9	Does the company disclose the process followed in conducting the director/commissioner assessment?	Remuneration and Nomination Charter; Annual Report (Page 15)	Y	The public can access the document(s) through the Company's website.
E.5.10	Does the company disclose the criteria used in the director/commissioner assessment?	Corporate Governance Manual (Pages 6-7); Remuneration and Nomination Charter; Annual Report (Page 15)	Y	The Remuneration and Nomination Charter and Corporate Governance Manual show the criteria used in the director's assessment. The public can access the document(s) through the Company's website.
	<b>Committee Appraisal</b>			
E.5.11	Is an annual performance assessment conducted of the board of directors/commissioners committees?	Corporate Governance Manual (Pages 6-7); Remuneration and Nomination Charter; Annual Report (Page 15)	Y	Members of the Board undergo regular performance assessments. The public can access the document(s) through the Company's website.