

**ANNUAL CORPORATE GOVERNANCE REPORT OF**  
**FPG INSURANCE CO., INC.**

1. For Fiscal Year Ended: 2023
2. Certificate Authority No: 2022/59-R
3. Country of Incorporation: Philippines
4. Address of Principal Office: 6<sup>th</sup> Floor Zuellig Building, Makati Avenue Cor.  
Paseo de Roxas 1225, Makati City
5. Company Tel: (02) 8859-1200
6. Company's Official Website: [www.fpgins.com.ph](http://www.fpgins.com.ph)

INTEGRATED ANNUAL CORPORATE GOVERNANCE REPORT			
	COMPLIANT/ NON-COMPLIANT	ADDITIONAL INFORMATION	EXPLANATION
The Board’s Governance Responsibilities			
<b>Principle 1:</b> 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.			
Recommendation 1.1			
1. Board is composed of directors with collective working knowledge, experience or expertise that is relevant to the company’s industry/sector.	Compliant	<b>The Company is governed by a competent Board composed of professionals who are experts in their respective fields. They bring in their wealth of knowledge and experience in helping the Company achieve its objectives.</b>  The profiles of the Directors are set out in the Company’s <a href="#">2023 Annual Report (in pp. 12-13)</a> .	
2. Board has an appropriate mix of competence and expertise.	Compliant		
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.	Compliant		
Recommendation 1.2			
1. Board is composed of a majority of non-executive directors.	Compliant	<b>The Board consists of five (5) Directors: one (1) independent director; three (3) non-executive directors; and only one (1) executive director. This is consistent with the Company’s <a href="#">Manual of Corporate Governance (Sec. 4.1.2, p.5)</a> which prescribes for the Board to be composed of majority of non-executive .</b>  The profiles of the directors are set out in the Company’s <a href="#">2023 Annual Report (in pp. 12-13)</a> .	

<b>Recommendation 1.3</b>			
1. Company provides in its Board Charter or Manual on Corporate Governance a policy on training of directors.	Compliant	<b>The Company's program on Continuing Education and Orientation is set forth in the Company's <a href="#">Manual of Corporate Governance (Sec. 7, in p. 17)</a>.</b>	
2. Company has an orientation program for first time directors.	Compliant		
3. Company has relevant annual continuing training for all directors.	Compliant	<b>The directors completed relevant trainings in 2023. The list of the trainings completed by the directors is in the <a href="#">Company's 2023 Annual Report (Director's Training, p.26)</a>.</b>	
<b>Recommendation 1.4</b>			
1. Board has a policy on board diversity.	Compliant	<b>The policy on Board diversity and inclusion is enshrined in the Company's <a href="#">Manual of Corporate Governance (Section 4.1.3, in p.5)</a></b>	
<b>Recommendation 1.5</b>			
1. Board is assisted by a Corporate Secretary.	Compliant	<b>The Board is assisted by the Corporate Secretary, Atty. Ana Liza A. Peralta.</b>	
2. Corporate Secretary is a separate individual from the Compliance Officer.	Compliant		
3. Corporate Secretary is not a member of the Board of Directors.	Compliant	<b>The qualifications, and the roles and responsibilities of Corporate Secretary are set out in the <a href="#">Manual of Corporate Governance (Sec. 4.5, pp. 13 and 14)</a>.</b>	
4. Corporate Secretary attends training/s on corporate governance.	Compliant		

		<p>She is neither a director nor holding any other offices in the Company. This is consistent with the <a href="#">Company's Manual of Corporate Governance (General Qualifications and Disqualifications [of the Board of Directors], Sec. 4.1.8.1, p. 8)</a></p> <p>Atty. Peralta completed corporate governance training in 2023. <a href="#">Her training certificates are available on the Company's website.</a></p>	
<b>Recommendation 1.6</b>			
1. Board is assisted by a Compliance Officer.	Compliant	<p><b>The Board is assisted by a Compliance Officer. The mandate, as well as the roles and responsibilities of the Compliance Officer are enumerated in the Company's <a href="#">Manual of Corporate Governance (Compliance Officer, Sec. 4.7, p.15).</a></b></p> <p>Atty. Kristine Espinosa-Berris, Senior Assistant Vice President, was appointed as Compliance Officer on September 1, 2022. She was not a member of the Board.</p> <p>Atty. Espinosa-Berris completed corporate governance training in 2020. <a href="#">Her training certificate is available on the Company's website, in p.3.</a></p>	
2. Compliance Officer has a rank of Vice President or an equivalent position with adequate stature and authority in the corporation.	Compliant		
3. Compliance Officer is not a member of the board.	Compliant		
4. Compliance Officer attends training/s on corporate governance.	Compliant		

		<i>(Atty. Espinosa Berris resigned on February 16, 2024. She was replaced by Atty. Norguel Yazer M. Eleazar, Vice President. Atty. Eleazar was appointed as the new Compliance Officer on May 16, 2024.)</i>	
<b>Principle 2:</b> 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.			
<b>Recommendation 2.1</b>			
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	The key mandate and the duties and responsibilities of the Board are listed in the <a href="#">Company's Manual of Corporate Governance (Sec. 4.1.1, in p. 4, and Sec. 4.1.6, p.6)</a> .	
<b>Recommendation 2.2</b>			
1. Board oversees the development, review and approval of the company’s business objectives and strategy.	Compliant	The Board of Directors has the primary responsibility of fostering the success of the long-term objectives and success of the company and ensuring its competitiveness. The board reviews the corporate strategic plans, the long-term business plans, and strategic initiatives on an annual basis taking into account, among other things, the opportunities and risks of business.  The Company’s Manual of Corporate Governance sets forth the Board’s <a href="#">(Mandate, Sec. 4.1.1)</a> as well as the oversight functions of business	
2. Board oversees and monitors the implementation of the company’s business objectives and strategy in order to sustain the company’s long term viability and strength	Compliant		

		objectives and strategy ( <a href="#">Board Duties and Responsibilities, Sec. 4.1.6</a> ).	
<b>Recommendation 2.3</b>			
1. Board is headed by a competent and qualified Chairperson.	Compliant	<p>Mr. David Zuellig currently heads the Company's Board. His profile is in the <a href="#">2023 Annual Report (Board Profile, p. 12)</a>.</p> <p>The Chairperson's appointment conforms to the qualification requirements for Board Chairperson provided in the Company's <a href="#">Manual of Corporate Governance (Chairman of the Board, Sec. 4.3)</a>.</p>	
<b>Recommendation 2.4</b>			
1. Board ensures and adopts an effective succession planning program for directors, key officers and management.	Compliant	<p>The succession planning program is detailed in the <a href="#">2023 Annual Report (Board Succession and Nomination, p. 22)</a>.</p> <p>This program is consistent with the Company's <a href="#">Manual of Corporate Governance (Director Succession and Selection Criteria, Sec. 5, p.16)</a>.</p>	
2. Board adopts a policy on the retirement for directors and key officers.	Compliant	The Company implements a retirement plan for employees, officers and the Board. The plan follows the Zuellig Group's retirement plan. <a href="#">Excerpt of the plan can be accessed through this link.</a>	

		<p style="text-align: center;">F. E. ZUELLIG (M), INC. GROUP RETIREMENT PLAN (AS AMENDED JUNE 1, 2013)</p> <p style="text-align: center;">Article I OBJECT, NAME AND EFFECTIVITY DATE</p> <p>Section 1 - NAME</p> <p style="text-align: center;">This Plan shall be known as the F. E. ZUELLIG (M), INC. GROUP RETIREMENT PLAN.</p> <p>Section 2 - OBJECT</p> <p style="text-align: center;">The object of this Plan is to provide through a retirement fund to be established by the F. E. ZUELLIG (M), INC. RETIREMENT PLAN - a lump sum retirement benefit program for all the permanent employees as well as provisions under certain conditions</p>	
<b>Recommendation 2.5</b>			
1. Board formulates and adopts a policy specifying the relationship between remuneration and performance of key officers and board members.	Compliant	<p><b>The Corporate Governance Committee, which also serves as the Nomination and Remuneration Committee per the Company's <a href="#">Manual of Corporate Governance (Corporate Governance Committee, Sec. 6.2, p. 17)</a> , has oversight of the periodic performance evaluation of the Board and its Committees, and the executive management. Relatedly, the Committee recommends the remuneration packages for corporate and individual performance of the Company. These are enshrined in the Company's <a href="#">Corporate Governance Committee Terms of Reference (Sec. 7, Duties and Responsibilities)</a>.</b></p>	
2. Board aligns the remuneration of key officers and board members with long-term interest of the company	Compliant	<p><b>Among the duties and responsibilities of the Board is the oversight of the development of the Company's business objectives and</b></p>	

3. Directors do not participate in discussions or deliberations involving his/her own remuneration.	Compliant	<p><b>strategy, and monitoring its implementation. To this end, the Board ensures that necessary human and financial resources are in place.</b></p> <p><b>In furtherance of the above-cited responsibility, the Board is in charge of the appointment of senior management ensuring the adequacy of the Company's management structure and resources for specific and general tasks, as well as the planning of senior management motivation, remuneration, development, recruitment and succession. This responsibility is explained in the <a href="#">Company's Manual of Corporate Governance (Sec. 4.1.6 [b])</a>.</b></p>	
<b>Recommendation 2.6</b>			
1. Board has a formal and transparent board nomination and election policy.	Compliant	<p><b>The nomination and election of Board members follows the mechanics, including the qualifications of the nominees, set forth in the <a href="#">Company's 2023 Annual Report (Board Succession and Nomination, p.22)</a>.</b></p> <p><b>The said mechanics align with the <a href="#">Company's Manual of Corporate Governance (Director Succession and Selection Criteria, Sec. 5, p. 16)</a> which</b></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 accepts nominations from minority shareholders.	Compliant		



4. Board nomination and election policy includes how the board reviews nominated candidates.	Compliant	also provides for the review of the nominees.	
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		
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	The Company implements its <a href="#">Related Party Transaction Policy</a> , setting out the policy and system governing related party transactions of the Company.  The policy includes the process for review and approval of material RPTs, and covers all transactions with related parties, including entities within the group.	
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		
Recommendation 2.8			
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).	Compliant	The Board approves the appointment of the Company's senior management, including the assessment of their performance. This is enshrined in the <a href="#">Company's Manual of Corporate Governance (Board of Directors, Mandate, Sec. 4.1.1; Board Duties and</a>	
2. Board is primarily responsible for assessing the performance of Management led by the Chief Executive Officer (CEO) and the heads of the	Compliant		

other control functions (Chief Risk Officer, Chief Compliance Officer and Chief Audit Executive).		<a href="#">Responsibilities, Sec. 4.1.6; Board Committees, Sec. 6).</a>	
<b>Recommendation 2.9</b>			
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	<b>Part of the Board's responsibilities is monitoring management's performance and how it fares with the strategic objectives, and initiating appropriate corrective actions if needed. This is captured in the Company's <a href="#">Manual of Corporate Governance (Board Duties and Responsibilities, Sec. 4.1.6).</a></b>	
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	<b>In addition, the Company implements its <a href="#">Code of Conduct Operational Guidelines</a>. Mainly, the Code exalts each employee to act in a manner conducive to the attainment of the Company's aims.</b>	
<b>Recommendation 2.10</b>			
1. Board oversees that an appropriate internal control system is in place.	Compliant	<b>The Board has oversight of the Company's internal control systems prescribed under the Company's <a href="#">Manual of Corporate Governance (Compliance Systems and Internal Control, Sec. 9, pp. 20-21; Board Duties and Responsibilities, Sec. 4.1.6).</a></b>	
2. The internal control system includes a mechanism for monitoring and managing potential conflict of interest of the Management, members and shareholders.	Compliant		

		The mentioned control system includes a mechanism for managing conflict of interest of Management, members and shareholders detailed in the <a href="#">Company's Manual of Corporate Governance (Conflict of Interest, Sec. 8.2)</a> , as supplemented by the Company's <a href="#">Related Party Transaction Policy</a> .	
3. Board approves the Internal Audit Charter.	Compliant	The Company's Internal Audit Charter was approved by the Board in the meeting held on November 16, 2021.	
<b>Recommendation 2.11</b>			
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	The Board has oversight of the Company's risk management system under the <a href="#">Company's Manual of Corporate Governance (Risk Management, Sec. 9.1, pp. 20-21; Board Duties and Responsibilities, Sec. 4.1.6)</a> .	
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	Details of the implementation of the Company's risk management system are available in the <a href="#">Company's 2023 Annual Report (Risk Management, p. 16)</a> .	
<b>Recommendation 2.12</b>			

1. Board has a Board Charter that formalizes and clearly states its roles, responsibilities and accountabilities in carrying out its fiduciary duties.	Compliant	<b>The Board abides by the Terms of Directors for the Board of Directors. The Terms serves as the guide to the directors in the performance of their functions.</b>  <b>The Terms specifies the roles, responsibilities and accountabilities of the Board in carrying out its fiduciary functions (Duties and Responsibilities, Sec. 6).</b>  <b>Published on the Company's website, the Terms can be accessed through this <a href="#">link</a>.</b>  <b>Supplementing the Terms are the <a href="#">Company's Manual of Corporate Governance</a>; <a href="#">Audit and Risk Committee Terms of Reference</a>; <a href="#">Corporate Governance Committee Terms of Reference</a>. Copies of these are posted on our website.</b>	
2. Board Charter serves as a guide to the directors in the performance of their functions.	Compliant		
3. Board Charter is publicly available and posted on the company's website.	Compliant		

<b>Principle 3:</b> 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.			
<b>Recommendation 3.1</b>			
1. Board establishes board committees that focus on specific board functions to aid in the optimal performance of its roles and responsibilities.	Compliant	<b>The Board has the responsibility to establish board-level committees per the <a href="#">Company's Manual of Corporate Governance (Board Committees, Sec. 6, p. 17)</a>.</b>	

		Details of the board-level committees are in the <a href="#">Company's 2023 Annual Report (Board Committees, p. 24)</a> .	
<b>Recommendation 3.2</b>			
1. Board establishes an Audit Committee to enhance its oversight capability over the company's financial reporting, internal control system, internal and external audit processes, and compliance with applicable laws and regulations.	Compliant	<p>The Board has organized the Audit and Risk Committee pursuant to its mandate to establish board-level committees per the <a href="#">Company's Manual of Corporate Governance (Board Committees, Sec. 6, p. 17)</a>.</p> <p><a href="#">The Terms of Reference of the Audit and Risk Committee</a> sets out the responsibilities of the Committee.</p>	<p>Atty. Avelino M. Sebastian, Jr., Independent Director, concurrently chairs the Audit and Risk Committee, and the Corporate Governance Committee. We find that allowing concurrent chairpersonship is justified given the current structure of the Company.</p>
2. Audit Committee is composed of at least three appropriately qualified non-executive directors, the majority of whom, including the Chairman is independent.	Complaint	<p>The composition and membership of the Audit and Risk Committee are set out in the <a href="#">Terms of Reference of the Audit and Risk Committee (Membership, Sec. 3)</a>.</p> <p>The Committee is composed of three (3) members, majority of whom are non-executive directors, with the chairperson being an independent director. Details of the membership are in the <a href="#">Company's 2023 Annual Report (Board Committees, p.24)</a>.</p>	

3. All the members of the committee have relevant background, knowledge, skills, and/or experience in the areas of accounting, auditing and finance.	Compliant	<b>The Committee members have the relevant background and expertise in finance, accounting and auditing. Their individual profiles are in the <a href="#">Company’s 2023 Annual Report (Board Profile, pp. 12 -13)</a>.</b>  <b>Atty. Avelino M. Sebastian,Jr. chairs the Audit and Risk Committee. He is not the Chairperson of the Board.</b>	
4. The Chairman of the Audit Committee is not the Chairman of the Board or of any other committee.	Compliant		
<b>Recommendation 3.3</b>			
1. Board establishes a Corporate Governance Committee tasked to assist the Board in the performance of its corporate governance responsibilities, including the functions that were formerly assigned to a Nomination and Remuneration Committee.	Compliant	<b>The Board has organized the Corporate Governance Committee pursuant to its mandate to establish board-level committees per <a href="#">Company’s Manual of Corporate Governance (Board Committees, Sec. 6, p. 17)</a>.</b>  <b>The <a href="#">Terms of Reference of the Corporate Governance Committee</a> sets out the responsibilities of the Committee. The Committee also serves as the Remuneration and Nomination Committee.</b>	<b>Atty. Avelino M. Sebastian, Jr., Independent Director, concurrently chairs the Audit and Risk Committee, and the Corporate Governance Committee. We find that allowing concurrent chairpersonship is justified given the current structure of the Company.</b>
2. Corporate Governance Committee is composed of at least three members, all of whom should be independent directors.	Compliant	<b>The Committee is composed of four (4) members, majority of whom are non-executive directors, with the</b>	

3. Chairman of the Corporate Governance Committee is an independent director.	Compliant	<p>chairperson being an independent director. Details of the membership are in the <a href="#">Company's 2023 Annual Report (Board Committees, p.24)</a>.</p> <p>Atty. Avelino M. Sebastian, Jr. chairs the Corporate Governance Committee. He is not the Chairperson of the Board.</p>	
<b>Recommendation 3.4</b>			
1. Board establishes a separate Board Risk Oversight Committee (BROC) that should be responsible for the oversight of a company's Enterprise Risk Management system to ensure its functionality and effectiveness.	Compliant	<p>By virtue of the resolution passed by the Board during the organizational meeting held on April 5, 2021, the functions of the Board Risk Oversight Committee have been integrated into the Audit and Risk Committee.</p> <p>The <a href="#">Terms of Reference of the Audit and Risk Committee</a> enumerates the responsibilities of the Committee.</p>	
2. BROC is composed of at least three members, the majority of whom should be independent directors, including the Chairman.	Compliant	<p>The <a href="#">Terms of Reference of the Audit and Risk Committee</a> provides for the composition of the Committee.</p> <p>The Committee is composed of three (3) members, majority of whom are non-executive directors, and is chaired by Atty. Avelino M. Sebastian, Jr., Independent Director.</p>	Given the current structure of the Company, we find that allowing non-executive directors to sit in the Committee is justified.
3. The Chairman of the BROC is not the Chairman of the Board or of any other committee.	Compliant		
4. At least one member of the BROC has relevant thorough knowledge and experience on risk and risk management.	Compliant		

		The current members of the Committee have relevant knowledge and experience on risk and risk management. Their profiles are in the <a href="#">Company's 2023 Annual Report (Board Profile, p. 12)</a> .	
<b>Recommendation 3.5</b>			
1. Board establishes a Related Party Transactions (RPT) Committee, which is tasked with reviewing all material related party transactions of the company.	Compliant	The Company's Risk and Audit Committee has the obligation to oversee related party transactions per the Company's <a href="#">Manual of Corporate Governance (Risk and Audit Committee, Sec.6.1, p.17)</a> .	
2. RPT Committee is composed of at least three non-executive directors, two of whom should be independent, including the Chairman.	Compliant	The Committee is composed of three (3) members, majority of whom are non-executive directors, and is chaired by Atty. Avelino M. Sebastian, Jr., Independent Director.	Given the current structure of the Company, we find that allowing non-executive directors to sit in the Committee is justified.
<b>Recommendation 3.6</b>			
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>The respective Terms of Reference of the Board-level committees are published on the Company's website:</p> <ol style="list-style-type: none"> <li>1. <a href="#">Corporate Governance Committee Terms of Reference</a></li> <li>2. <a href="#">Audit and Risk Committee Terms of Reference</a></li> </ol>	



2. Committee Charters provide standards for evaluating the performance of the Committees.	Compliant	<p><b>The relevant Terms of Reference of the board-level committees require the conduct of review of the Committee's performance.</b></p> <p>In line with the above, committee assessments were accomplished in December 2023. The conduct of the said assessment is included in the <a href="#">Company's 2023 Annual Report (Board Operations and Processes, p. 23)</a>.</p>	
3. Committee Charters were fully disclosed on the company's website.	Compliant	<p><b>The respective Terms of Reference of the Board-level committees are published on the Company's website:</b></p> <ol style="list-style-type: none"> <li>1. <a href="#">Corporate Governance Committee Terms of Reference</a></li> <li>2. <a href="#">Audit and Risk Committee Terms of Reference</a></li> </ol>	
<p><b>Principle 4:</b> 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><b>Recommendation 4.1</b></p>			
1. The Directors attend and actively participates 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><b>The attendance in meetings of the Board members is in the <a href="#">Company's 2023 Annual Report (Board Meeting Attendance, p.25)</a>.</b></p>	

2. The directors review meeting materials for all Board and Committee meetings.	Compliant	<p><b>The directors are able to review the materials for all meetings, which materials are sent at least five (5) business days prior to the meeting per the <a href="#">Manual of Corporate Governance (Roles and Responsibilities, Sec. 4.5.2, p. 13)</a>.</b></p> <p><b>Details on board meetings are in the <a href="#">Company's 2023 Annual Report (Board Operations and Processes, p. 23)</a>.</b></p>	
3. The directors ask the necessary questions or seek clarifications and explanations during the Board and Committee meetings.	Compliant	<p><b>The directors ask questions or seek clarifications during Board and Committee meetings. This is confirmed by the results of the 2023 Board Assessment (<a href="#">Board Assessment Questionnaire [2023] Results</a>).</b></p> <p><b>Excerpt of the Results below:</b></p> <p><i>"xxx On board and committee assessment, majority of the board members acknowledged a fair feedback system on the <b>directors' contributions to the Company</b>. 5 out of 5 of the board members are satisfied with Management's responsiveness to</i></p>	

		<i>the board's questions and concerns; xxx."</i>	
<b>Recommendation 4.2</b>			
1. Non-executive directors concurrently serve as directors to a maximum of five Insurance Commission Regulated Entities (ICREs) and 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	<b>Non-executive directors are not concurrently serving as directors in publicly-listed companies. This information is available in the <a href="#">Company's 2023 Annual Report (Board Profile, p. 12)</a>.</b>	
<b>Recommendation 4.3</b>			
1. The directors notify the company's board before accepting a directorship in another company.	Compliant	<b>Directors are required to disclose in writing to the Company their interest in any material contract, which will include directorships in other companies, per the <a href="#">Company's Manual of Corporate Governance (Conflict of Interest, Sec. 8.2)</a>.</b>	
<b>Principle 5:</b> The board should endeavor to exercise an objective and independent judgment on all corporate affairs			
<b>Recommendation 5.1</b>			
1. The Board is composed of at least twenty percent (20%) independent directors.	Compliant	<b>The Board has one (1) independent director, Atty. Avelino M. Sebastian, Jr. His profile is in the <a href="#">Company's 2023 Annual Report (Board Profile, p. 12)</a>.</b>	

<b>Recommendation 5.2</b>			
1. The independent directors possess all the qualifications and none of the disqualifications to hold the positions.	Compliant	<b>The Board has one (1) independent director, Atty. Avelino M. Sebastian, Jr. He possesses all the qualifications and none of the disqualifications to be elected as an independent director. His profile is in the <a href="#">Company's 2023 Annual Report (Board Profile, p. 12)</a>.</b>	
<b>Recommendation 5.3</b>			
<p>1. The independent directors serve for a cumulative term of nine years.</p> <p>As far as Insurance Companies are concerned, the foregoing term limit shall be reckoned from 02 January 2015 while the reckoning date for Pre-Need companies and Health Maintenance Organizations shall be from 21 September 2016.</p> <p>For other covered entities, all previous terms served by existing Independent Directors prior to the effectivity of this Circular shall not be included in the application of the term limit prescribed in this items</p>	Compliant	<b>The Board has one (1) independent director, Atty. Avelino M. Sebastian, Jr. He was first elected as independent director in 2019. His profile is in the <a href="#">Company's 2023 Annual Report (Board Profile, p. 12)</a>.</b>	
2. The company bars an independent director from serving in such capacity after the term limit of nine years.	Compliant	<b>As a rule, an independent director who has served in such capacity is barred from serving in the same capacity after the 9-year term limit.</b>	
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	<b>Meritorious justification and shareholder approval will be required in case the Company retains an independent director in the same capacity after 9 years. This rule and</b>	

		the approval requirement to retain are set out in the <a href="#">Company's Manual of Corporate Governance (Term Limitations, Sec. 4.2.1)</a> .	
<b>Recommendation 5.4</b>			
1. The positions of Chairman of the Board and Chief Executive Officer are held by separate individuals.	Compliant	<p><b>Separate individuals hold the offices of the Chairperson of the Board and the Chief Executive Officer. The Company's Chairperson is Mr. David Zuellig; and the Chief Executive Officer, Ms. Generosa Pio de Roda. Their profiles are in the <a href="#">Company's 2023 Annual Report (Board Profile, p.12)</a>.</b></p> <p><b>Disqualifying an individual to concurrently serve as Chairperson of the Board and CEO is provided in the <a href="#">Company's Manual of Corporate Governance (Chairman of the Board, Sec. 4.3)</a>.</b></p>	
2. The Chairman of the Board and Chief Executive Officer have clearly defined responsibilities.	Compliant	<b>The responsibilities of the Chairperson of the Board and the Chief Executive Officer are enumerated in the <a href="#">Company's Manual of Corporate Governance (Chairman of the Board, Sec. 4.3; and the Chief Executive Officer, Sec. 4.4)</a>.</b>	
<b>Recommendation 5.5</b>			
1. If the Chairman of the Board is not an independent director, or where the roles of	Compliant	Not Applicable.	

Chairman and CEO are being held by one person, the Board should designate a lead director among the independent directors.			
Recommendation 5.6			
1. Directors with material interest in a transaction affecting the corporation abstain from taking part in the deliberations for the same.	Compliant	There is prohibition against directors with material interest in a transaction from taking part in the deliberations of the same. This is enshrined in the <a href="#">Company's Related Party Transaction Policy (Approval of Related Party Transactions, Sec. 6[c])</a> .	
Recommendation 5.7			
1. The non-executive directors (NEDs) have separate periodic meetings with the external auditor and heads of the internal audit, compliance and risk functions, without any executive present to ensure that proper checks and balances are in place within the corporation.	Non-Compliant		Given the structure of the Company, and with proper checks and balances implemented by the Audit and Risk Committee, the NEDs do not find the need to hold separate periodic meetings.
2. The meetings are chaired by the lead independent director.	Non-Compliant		
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.			
Recommendation 6.1			
1. Board conducts an annual self-assessment of its performance as a whole.	Compliant	The details of the annual assessment of the Board's performance are in the <a href="#">Company's 2023 Annual Report (Board Operations and Process, p. 23)</a> .	
2. The Chairman conducts a self-assessment of his performance.	Compliant		

3. The individual members conduct a self-assessment of their performance.	Compliant	Likewise, the summary of the assessment results are in the <a href="#">Board Assessment Questionnaire (2023) Results.</a>	
4. Each committee conducts a self-assessment of its performance.	Compliant		
5. Every three years, the assessments are supported by an external facilitator.	Compliant	Assessments supported by an external facilitator is provided in the Company's <a href="#">Manual of Corporate Governance (Board Performance, Sec. 4.8, p. 16).</a>	
<b>Recommendation 6.2</b>			
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.	Compliant	The details of the annual assessment of the Board's performance are in the <a href="#">Company's 2023 Annual Report (Board Operations and Process, p. 23).</a>	
2. The system allows for a feedback mechanism from the shareholders.	Compliant	<p>The conduct of the assessment is line with the Company's <a href="#">Manual of Corporate Governance (Board Performance, Sec. 4.8, p. 16).</a></p> <p>Likewise, the summary of the assessment results are in the <a href="#">Board Assessment Questionnaire (2023) Results.</a></p>	
<b>Principle 7:</b> Members of the Board are duty-bound to apply high ethical standards, taking into account the interests of all stakeholders.			
<b>Recommendation 7.1</b>			
1. Board adopts a Code of Business Conduct and Ethics, which provide standards for professional and ethical behavior, as well as	Compliant	The <a href="#">Company's Code of Conduct Operational Guidelines</a> is published on the Company's website.	

articulate acceptable and unacceptable conduct and practices in internal and external dealings of the company.			
2. The Code is properly disseminated to the Board, senior management and employees.	Compliant		
3. The Code is disclosed and made available to the public through the company website.	Compliant		
<b>Recommendation 7.2</b>			
1. Board ensures the proper and efficient implementation and monitoring of compliance with the Code of Business Conduct and Ethics.	Compliant	<b>Among the Board's duties and responsibilities is determining the Company's key policies, including the Code of Business Conduct; establishing the culture of the Company; ensuring that the necessary human and financial resources are in place; and Monitoring progress towards the achievement of objectives and compliance with policies, values and standards. (<a href="#">Company's Manual of Corporate Governance, Board Duties and Responsibilities, Sec. 4.1.6, p. 6</a>).</b>	
2. Board ensures the proper and efficient implementation and monitoring of compliance with company internal policies.	Compliant	<p>In addition, the Company implements its Code of Business Conduct, pursuant to the <a href="#">Company's Manual of Corporate Governance (Code of Business Conduct, Sec. 8, p.18)</a>.</p> <p>The above are set out too in the <a href="#">Company's 2023 Annual Report (Compliance Commitment, p. 21)</a>.</p>	



Disclosure and Transparency			
<b>Principle 8:</b> The company should establish corporate disclosure policies and procedures that are practical and in accordance with best practices and regulatory expectations.			
<b>Recommendation 8.1</b>			
1. Board establishes corporate disclosure policies and procedures to ensure a comprehensive, accurate, reliable and timely report to shareholders and other stakeholders that gives a fair and complete picture of a company's financial condition, results and business operations.	Compliant	Please refer to the <a href="#">Company's Manual of Corporate Governance (Enhancing Company's Disclosure Policies and Procedure, Sec. 13, p. 24)</a> .	
<b>Recommendation 8.3</b>			
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	<p>Please refer to <a href="#">Conflict of Interest, Sec. 8.2, pp. 18-19, Company's Manual of Corporate Governance Manual</a>).</p> <p>In addition, the directors are required, at least annually, to update their personal data submitted with the Insurance Commission for any change or addition in their ownerships, material interests, or directorships in other institutions.</p>	
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	All key executives are required to accomplish and submit to the Insurance Commission their biodata listing personal data and other relevant information like material interests, past employment, present directorship. Upon selection of the key executive, the biodata is presented to the Board and relevant board-level committee for approval.	

Recommendation 8.4			
1. Company provides a clear disclosure of its policies and procedure for setting Board remuneration, including the level and mix of the same in the Annual Corporate Governance Report consistent with ASEAN Corporate Governance Scorecard (ACGS) and the Revised Corporation Code.	Compliant	The remuneration principles and objectives are set out in this <a href="#">declaration (Board Profile)</a> .	
2. Company provides a clear disclosure of its policies and procedure for setting executive remuneration, including the level and mix of the same in the Annual Corporate Governance Report consistent with ASEAN Corporate Governance Scorecard (ACGS) and the Revised Corporation Code.	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.	Compliant	The Company's <a href="#">Related Party Transaction Policy</a> is available in the Company's website.	
2. Company discloses material or significant RPTs in its Annual Company Report or Annual Corporate Governance Report, reviewed and approved by the Board, and submitted	Compliant	The Company's related party transactions in 2023 are disclosed in the <a href="#">Company's 2023 Annual Report (Transactions with Related Parties, Item 27 [b], Audited Financial Statements, p.105)</a> .	

Recommendation 8.7			
1. Company's corporate governance policies, programs and procedures are contained in its Manual on Corporate Governance (MCG).	Compliant	The <a href="#">Company's Manual Corporate Governance</a> is posted on the Company's website.	
2. Company's MCG is posted on its company website.	Compliant		
<b>Principle 9:</b> 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	The process for the approval and recommendation for the appointment, reappointment, removal, and fees of the external auditors is prescribed in the <a href="#">Company's Manual of Corporate Governance (External Auditor, Sec. 9.3.2, p. 22)</a> .  The above is supplemented by the <a href="#">Terms of Reference for Audit and Risk Committee</a> .	
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		
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 disclosures.	Not applicable	Please refer to the <a href="#">2023 Minutes of the Annual Meeting</a> .	
Recommendation 9.2			
1. Audit Committee Charter includes the Audit Committee's responsibility on:	Compliant	Please refer to <a href="#">Terms of Reference for Audit and Risk Committee (Duties and Responsibilities, Audit, Sec. 7,</a>	

<p>i. assessing the integrity and independence of external auditors;</p> <p>ii. exercising effective oversight to review and monitor the external auditor's independence and objectivity; and</p> <p>iii. exercising effective oversight to review and monitor the effectiveness of the audit process, taking into consideration relevant Philippine professional and regulatory requirements.</p>		<p><a href="#">pp. 2-3</a>). Among the responsibilities are:</p> <ul style="list-style-type: none"> <li>• Review the performance of the External Auditor and recommend to the Board the appointment of the External Auditor. Such review would include but not be limited to:               <p>a) <i>Review of the qualifications, performance and independence of the External Auditor</i></p> <p>xxx</p> <p>d) <i>Reviews the disposition of the recommendations in the External Auditor's management letter.</i></p> <ul style="list-style-type: none"> <li>• <i>Reviews and approves the Interim and Annual Financial Statements before their submission to the Board, with particular focus on the following matters:</i></li> </ul> <p>xxx</p> <p>e) Compliance with accounting standards</p> <p>f) Compliance with tax, legal and regulatory requirement."</p> </li> </ul>	
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		
<b>Recommendation 9.3</b>			
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	No non-audit engagements are paid to the Company's external auditor in 2023. This is disclosed in the <a href="#">Company's 2023 Annual Report (Audit Fees, p. 28)</a> .	
2. Audit Committee stays alert for any potential conflict of interest situations, given the	Complaint		

guidelines or policies on non-audit services, which could be viewed as impairing the external auditor's objectivity.			
<b>Principle 10:</b> The company should ensure that the material and reportable non-financial and sustainability issues are disclosed.			
<b>Recommendation 10.1</b>			
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.	Compliant	<a href="#">The Company's Manual of Corporate Governance (Encouraging Sustainability and Social Responsibility, Sec. 12, p. 24)</a> sets out the Company's commitment for disclosure of material and reportable information on non-financial and sustainability issues.	
2. Company adopts a globally recognized standard/framework in reporting sustainability and non-financial issues.	Compliant	The Company's engagements on EESG and sustainability are disclosed in the <a href="#">Company's 2023 Annual Report (Corporate Social Responsibility, p. 31; Sustainability, p. 33)</a> .	
3. Company recognizes the need for financial resilience towards natural disasters to hasten the recovery of communities after a devastating loss and has participated in the Philippine Catastrophe Insurance Facility (PCIF).	Compliant	The Company is participating or is otherwise involved in the PCIF.  <a href="#">Proof of Participation</a>	

**Principle 11:** The company should maintain a comprehensive and cost-efficient communication channel for disseminating relevant information. This channel is crucial for informed decision-making by investors, stakeholders and other interested users.

**Recommendation 11.1**

1. Company has media and analysts' briefings as channels of communication to ensure the timely and accurate dissemination of public, material and relevant information to its shareholders and other investors.	Compliant	<p><b>The Corporation has an official website and social media accounts:</b></p> <p><b>FPG Insurance Website –</b>  <a href="http://www.fpgins.com/ph">www.fpgins.com/ph</a> or  <a href="https://ph.fpgins.com/">https://ph.fpgins.com/</a></p> <p><b>FPG Insurance Facebook Page -</b>  <a href="https://www.facebook.com/fpginsurance.ph">https://www.facebook.com/fpginsurance.ph</a></p> <p><b>FPG Insurance LinkedIn Page -</b>  <a href="https://www.linkedin.com/company/fpg-insurance/">https://www.linkedin.com/company/fpg-insurance/</a></p> <p><b>FPG Insurance Instagram Page -</b>  <a href="https://www.instagram.com/fpginsurance.ph/">https://www.instagram.com/fpginsurance.ph/</a></p>	
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**Internal Control System and Risk Management Framework**

**Principle 12:** To ensure the integrity, transparency and proper governance in the conduct of its affairs, the company should have a strong and effective internal control system and enterprise risk management framework.

**Recommendation 12.1**

1. Company has an adequate and effective internal control system in the conduct of its business.	Compliant	<p><b>The <a href="#">Company's Manual of Corporate Governance</a> enumerates the internal controls implemented (<a href="#">Compliance Systems and Internal Control, Sec. 9, pp. 20-21</a>). The internal controls include the framework for risk management.</b></p>	
2. Company has an adequate and effective enterprise risk management framework in the conduct of its business.	Compliant		

		<p>Details of the Company's risk management initiatives are in the <a href="#">Company's 2023 Annual Report (Risk Management, p. 16)</a>.</p> <p>The mentioned control system includes a mechanism for managing conflict of interest of Management, members and shareholders detailed in the <a href="#">Company's Manual of Corporate Governance (Conflict of Interest, Sec. 8.2)</a>, as supplemented by the Company's <a href="#">Related Party Transaction Policy</a>.</p>	
Recommendation 12.2			
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.	Compliant	<p>Please refer to the Company's <a href="#">Internal Audit Charter, which mandates for the internal audit function to remain independent and objective</a>:</p> <p><b>INDEPENDENCE AND OBJECTIVITY</b></p> <p><i>"FPG Internal Audit will remain free from interference on matters of audit selection, scope, procedures, frequency, timing or report content to permit maintenance of a necessary independent and objective mental altitude. Internal auditors will have no direct operational responsibility or</i></p>	

		<p><i>authority over any of the activities audited. Accordingly, they will not implement internal controls, develop procedures, install systems, prepare records, or engage in any other activity that may impair the internal auditor's judgment. Internal auditors will exhibit the highest level of professional objectivity in gathering, evaluating and communicating information about the activity or process being examined. Internal auditors will make a balanced assessment of all relevant circumstances and not be duly influenced by their own interests or by others in forming judgments."</i></p>	
<b>Recommendation 12.3</b>			
1. Company has a qualified Chief Audit Executive (CAE) appointed by the Board.	Compliant	<p>The Company's Head of Internal Audit is Mr. Marlon Ladesma, Senior Assistant Vice President. He was re-appointed on 17 April 2023.</p>	
2. CAE oversees and is responsible for the internal audit activity of the organization, including that portion that is outsourced to a third party service provider.	Compliant	<p>The Head of Internal Audit oversees and is responsible for the audit activity of the Company. (<a href="#">Charter of FPG Internal Audit, Responsibility, p. 2).</a></p> <p>Currently, no portion of the internal audit function is outsourced to a third party provider.</p>	



3. In case of a fully outsourced internal audit activity, a qualified independent executive or senior management personnel is assigned the responsibility for managing the fully outsourced internal audit activity.	Not applicable	No instance of this nature has taken place. Currently, there is an internal auditor belonging to senior management who can manage internal audit activity.	
<b>Recommendation 12.4</b>			
1. Company has a separate risk management function to identify, assess and monitor key risk exposures.	Compliant	<p>The <a href="#">Company's Manual of Corporate Governance</a> enumerates the internal controls implemented (Compliance Systems and Internal Control, Sec. 9, pp. 20-21). The internal controls include the framework for risk management (Sec.9.1, p.20).</p> <p>Details of the Company's risk management initiatives are in the <a href="#">Company's 2023 Annual Report (Risk Management, p. 16)</a>.</p>	
<b>Recommendation 12.5</b>			
1. In managing the Company's Risk Management System, the company has a Chief Risk Officer (CRO), who is the ultimate champion of Enterprise Risk Management (ERM).	Compliant	<p>The Company's Risk Management system is managed by the Legal Risk and Compliance Department. The Department is led by the Head of Legal Risk and Compliance. Atty. Kristine Espinosa-Berris was the head of the Department.</p> <p>She was replaced by Atty. Norguel Yazer M. Eleazar who joined the Company on May 6, 2024.</p>	
2. CRO has adequate authority, stature, resources and support to fulfill his/her responsibilities.	Compliant		

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	The basic shareholder rights are set out in the <a href="#">Company's Manual of Corporate Governance (Rights of Shareholders, Sec. 10.1, p. 22)</a> .  The Company's Manual of Corporate Governance is available on our website.	
2. Board ensures that basic shareholder rights are disclosed on the company's website.	Compliant		
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 21 days before the meeting.	Compliant	Please refer to the <a href="#">2023 Notice of Annual Stockholder's Meeting</a> .  Sufficient notice was given for the 2023 Annual Stockholders' Meeting. Notice dated 24 March 2023 was sent within the timeline.	
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.	Non-Compliant		Minutes of the Shareholders' Meetings are approved by the Shareholders prior to publication. Nevertheless, the minutes of the Annual Shareholder's meeting are made accessible in the Company's website immediately following the approval of the Stockholders.
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.	Non-Compliant		

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	Please refer to the <a href="#">Company’s Manual of Corporate Governance (Alternative Dispute Resolution, Sec. 10.3, p. 23)</a> .	
2. The alternative dispute mechanism is included in the company’s Manual on Corporate Governance.	Compliant		
Duties to Stakeholders			
<b>Principle 14:</b> 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			
1. Board identifies the company’s various stakeholders and promotes cooperation between them and the company in creating wealth, growth and sustainability.	Compliant	<b>The Company’s stakeholders are identified in the <a href="#">Code of Conduct</a></b>  <b><a href="#">Efforts for the promotion of cooperation between the Company and the stakeholders in creating wealth, growth and sustainability are disclosed in the Company’s 2023 Annual Report (Corporate Social Responsibility and FPG Insurance Sustainability, pp. 31-33)</a>.</b>	
Recommendation 14.2			
1. Board establishes clear policies and programs to provide a mechanism on the fair treatment and protection of stakeholders.	Compliant	<b>Please refer to the <a href="#">Company’s Code of Conduct (Customers, Business Partners, &amp; Other Key Relationships, p.12)</a>.</b>  <b>“Always remember to treat all parties fairly and with respect with a</b>	

		view to building trust in all relationships xxx.”	
<b>Recommendation 14.3</b>			
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.	Compliant	<p><b>The Company implements a Whistleblowing Policy. (The <a href="#">Company’s Code of Conduct, Whistleblowing Policy, in p. 4).</a></b>  <b>Details of the policy are set out in the <a href="#">Company’s 2023 Annual Report (Whistle Blowing Policy, p. 17).</a></b></p> <p><b>The procedures on reporting under the Whistleblowing Policy are in the <a href="#">Company’s Code of Conduct, Whistleblowing Policy, in p. 4).</a></b></p>	
<b>Principle 15:</b> 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.			
<b>Recommendation 15.1</b>			
1. Board establishes policies, programs and procedures that encourage employees to actively participate in the realization of the company’s goals and in its governance.	Compliant	<p><b>Please see the sections on Corporate Social Responsibility and FPG Insurance Sustainability in the <a href="#">Company’s 2023 Annual Report (pp. 31-33).</a></b></p>	
<b>Recommendation 15.2</b>			
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.	Compliant	<p><b>The Company implements a policy against corrupt practices. This is embodied in the <a href="#">Company’s Manual of Corporate Governance (Gifts and Entertainment Policy, Sec. 8.5, p. 20).</a></b></p>	

		The policy is reinforced by the provisions <a href="#">Code of Conduct Corporate (Gifts, Entertainment &amp; Other Benefits p. 8, and Government Relationships, p. 9)</a> .	
2. Board disseminates the policy and program to employees across the organization through trainings to embed them in the company's culture.	Compliant	The employees conform to the Code of Conduct.	
<b>Recommendation 15.3</b>			
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	Compliant	<p>The procedures on reporting under the Whistleblowing Policy are in the Company's Implementing Rules of the <a href="#">Company's Code of Conduct Operational Guidelines (p. 4)</a> ensures that all employees act with integrity in all situations by reporting illegal or non-compliant conduct.</p> <ul style="list-style-type: none"> <li>Employees shall report any practices or actions believed to be inappropriate under the Code or illegal <i>either to their Line Managers, Head of HR or Head of Compliance.</i></li> <li>If appropriate, in view of the nature of the reported matter, <i>reports of violations may be made directly to higher levels including the Group's Chief Executive Officer.</i></li> </ul>	
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		
3. Board supervises and ensures the enforcement of the whistleblowing framework.	Compliant		

		<ul style="list-style-type: none"> <li>Complaints may be made on a confidential basis or through <i>Employee Hotlines</i> (if available), which shall be properly investigated.</li> </ul> <p><i>FPG Insurance prohibits retaliation against any employee for reports made in good faith, while it also protects the rights of the incriminated person.</i></p> <p>The above procedures are supplemented by the <a href="#">Company's Code of Conduct (What should I do if I think a Violation Has Occurred, pp. 20-21)</a>.</p>	
<b>Principle 16:</b> 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.			
<b>Recommendation 16.1</b>			
1. Company recognizes and places importance on the interdependence between business and society, and promotes a mutually beneficial relationship that allows the company to grow its business, while contributing to the advancement of the society where it operates.	Compliant	Please refer to the sections on <b>Corporate Social Responsibility</b> and <b>FPG Insurance Sustainability</b> in the <a href="#">Company's 2023 Annual Report (pp. 31-33)</a> .	