

2017 ASEAN CORPORATE GOVERNANCE SCORECARD

BANKERS ASSURANCE CORPORATION

LEVEL 2: BONUS AND PENALTY				
		Source Document	Yes/No	Remarks
BONUS				
Rights of Shareholders				
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.				
A.1.1(B)	Does the company allow the use of secure electronic voting in absentia at the general meetings of shareholders?	NOT APPLICABLE ITEM Annex C- Class 2	N/A	The company belongs to classification no. 2, which makes the item not applicable per Guidelines on Compliance with ASEAN Corporate Governance Scorecard.
B. Equitable treatment of shareholders				
B.1 Notice of AGM				
B.1.1(B)	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?	NOT APPLICABLE ITEM Annex C- Class 2	N/A	The Company belongs to Classification No. 2, which makes the item not applicable per Guidelines on Compliance with ASEAN Corporate Governance Scorecard. Notwithstanding, the Company ensures the release of its notice at least 28 days before the date of the meeting.
C. Roles of Stakeholders				
C.1 The rights of stakeholders that are established by law or through mutual agreements are to be respected				
C.1.1 (B)	Does the company practice integrated report on its annual reports?	Annual Report	Y	The public can access the document(s) through the Company's website.
D. Disclosure and transparency				
D.1 Quality of Annual Report				
D.1.1 (B)	Are the audited annual financial report /statement released within 60 days from the financial year end?	Audited Financial Statements	Y	Audited Financial Statements of the Company are timely submitted to BIR and SEC. The public can access the document(s) through the Company's website.
D.1.2 (B)	Does the company disclose details of remuneration of the CEO?		N	
E. Responsibilities of the Board				
E.1 Board Competencies and Diversity				
E.1.1(B)	Does the company have at least one female independent director/commissioner?	Annual Report (page 129)	Y	The Company has two female directors, two of which is independent director Ms. Herminia S. Jacinto and Atty. Alma P. Peñalosa. The public can access the document(s) through the Company's website.
E.2 Nominating Committee				

E.2.1(B)	Does the Nominating Committee comprise entirely of independent directors/commissioners?	Annual Report (Page 129); Corporate Governance Manual(Page 6)	Y	The Nominating Committee is comprised of non-executive directors and hence, it is able to maintain its independence. As a member of the Malayan Group of Insurance Companies, the Company adopts the Corporate Governance Manual of Malayan Insurance Company, Inc. Moreover, its constitution is in accordance with the Corporate Governance Manual. The public can access the document(s) through the Company's website.
E.2.2(B)	Does the Nominating Committee undertake the process of identifying the quality of directors aligned with the company's strategic directions?	Corporate Governance Manual (Page 6)	Y	As a member of the Malayan Group of Insurance Companies (MGIC), the Company adopts the Corporate Governance Manual (CGM) of Malayan Insurance Company, Inc. The Corporate Governance Manual provides for the process in identifying the quality of directors ensuring that these qualities are aligned in the Company's strategic directions. The public can access the document(s) through the Company's website.
E.3 Board Appointments and Re-Election				
E.3.1(B)	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?	Profile of the Board Directors (Annex to the Notice of Annual Stockholders' Meeting)	Y	In searching for candidates to the Board, the Company takes into consideration the education and experience of the members of the Board. The public can access the document(s) through the Company's website.
E.4 Board Structure & Composition				
E.4.1(B)	Do independent non-executive directors/commissioners make up more than 50% of the board of directors/commissioners?	Annual Report (Page 129)	Y	Non-executive directors make up more than 50% of the members of the Board. The public can access the document(s) through the Company's website.
E.5 Board Performance				
E.5.1(B)	Does the company have a separate level Risk Committee?	Corporate Governance Manual (Pages 8-9)	Y	As a member of the Malayan Group of Insurance Companies, the Company adopts the Corporate Governance Manual of Malayan Insurance Company, Inc. The company has a Risk Management Committee that is constituted in accordance with the Corporate Governance Manual. The public can access the document(s) through the Company's website.
PENALTY				
Rights of Shareholders				
A.1 Basic shareholder rights				
A.1.1(P)	Did the company fail or neglect to offer equal treatment for share repurchases to all shareholders?	NOT APPLICABLE ITEM Annex C- Class 2	N/A	The Company belongs to Classification No. 2, which makes the item not applicable per Guidelines on Compliance with ASEAN Corporate Governance Scorecard.
A.2 Shareholders, including institutional shareholders, should be allowed to consult with each other on issues concerning their basic shareholder rights as defined in the Principles, subject to exceptions to prevent abuse.				

A.2.1(P)	Is there evidence of barriers that prevent shareholders from communicating or consulting with other shareholders?	DEFAULT ITEM Annex C- Class 2	N	<u>Default item.</u> The shareholders are given opportunity to consult and communicate with other shareholders and the shareholders are even given the opportunity to raise questions on matters being discussed.
	A.3 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.			
A.3.1(P)	Did the company include any additional and unannounced agenda item into the notice of AGM/EGM?	Notice of the Annual Stockholder's Meeting	N	The meeting is confined to matters stated in the Agenda. The public can access the document(s) through the Company's website.
	A.4 Capital structures and arrangements that enable certain shareholders to obtain a degree of control disproportionate to their equity ownership should be disclosed.			
	Did the company fail to disclose the existence of:			
A.4.1(P)	Shareholders agreement?		N	
A.4.2(P)	Voting cap?	DEFAULT ITEM Annex C- Class 2	N	Default
A.4.3(P)	Multiple voting rights?	DEFAULT ITEM Annex C- Class 2	N	Default
	A.5 Capital structures and arrangements that enable certain shareholders to obtain a degree of control disproportionate to their equity ownership should be disclosed.			
A.5.1(P)	Is a pyramid ownership structure and/ or cross holding structure apparent?	NOT APPLICABLE ITEM Annex C- Class 2	N/A	The Company belongs to Classification No. 2, which makes the item not applicable per Guidelines on Compliance with ASEAN Corporate Governance Scorecard.
	B. Equitable treatment of shareholders			
	B.1 Insider trading and abusive self-dealing should be prohibited.			

B.1.1(P)	Has there been any conviction of insider trading involving directors/commissioners, management and employees in the past three years?	Risk Appetite Statement/ Assistant Corporate Secretary's Certification	N	The Company does not tolerate any violation of laws.The public can access the document(s) through the Company's website.
B.2 Protecting minority shareholders from abusive action				
B.2.1(P)	Has there been any cases of non-compliance with the laws, rules and regulations pertaining to significant or material related party transactions in the past three years?	Risk Appetite Statement/ Assistant Corporate Secretary's Certification	N	The Company does not tolerate any violation of laws.The public can access the document(s) through the Company's website.
C. Role of stakeholders				
C.1 The rights of stakeholders that are established by law or through mutual agreements are to be respected.				
C.1.1(P)	Have there been any violations of any laws pertaining to labour/employment/ consumer/insolvency/ commercial/competition or environmental issues?	Risk Appetite Statement/ Assistant Corporate Secretary's Certification	N	The Company does not tolerate any violation of laws.The public can access the document(s) through the Company's website.
C.2 Where stakeholders participate in the corporate governance process, they should have access to relevant, sufficient and reliable information on a timely and regular basis.				
C.2.1(P)	Has the company faced any sanctions by regulators for failure to make announcements within the requisite time period for material events?	Risk Appetite Statement/ Assistant Corporate Secretary's Certification	N	The Company does not tolerate any violation of laws.The public can access the document(s) through the Company's website.
D. Disclosure and transparency				
D.1 Sanctions from regulator on financial reports				
D.1.1(P)	Did the company receive a "qualified opinion" in its external audit report?	Independent Auditor's Report	N	The Company did not receive a qualified, adverse or disclaimer opinion in its external audit report. Neither does the Company revise its financial statements for reasons other than changes in the accounting policies.The public can access the document(s) through the Company's website.
D.1.2(P)	Did the company receive an "adverse opinion" in its external audit report?	Independent Auditor's Report	N	
D.1.3(P)	Did the company receive a "disclaimer opinion" in its external audit report?	Independent Auditor's Report	N	
D.1.4(P)	Has the company in the past year revised its financial statements for reasons other than changes in accounting policies?	Annual Report and Audited Financial Statements	N	

E. Responsibilities of the Board				
E.1 Compliance with listing rules, regulations and applicable laws				
E.1.1(P)	Is there any evidence that the company has not complied with any listing rules and regulations over the past year apart from disclosure rules?	NOT APPLICABLE ITEM Annex C- Class 2	N/A	The Company belongs to Classification No. 2, which makes the item not applicable per Guidelines on Compliance with ASEAN Corporate Governance Scorecard.
E.1.2(P)	Have there been any instances where non-executive directors/commissioner have resigned and raised any issues of governance-related concerns?	Risk Appetite Statement	N	The public can access the document(s) through the Company's website.
E.2 Board Appraisal				
E.2.1(P)	Does the Company have any independent directors/commissioners who have served for more than nine years or two terms (whichever is higher) in the same capacity?	Annual Report - Directors' Profile (Page 129)	N	
E.2.2(P)	Did the company fail to identify who are the independent director(s) / commissioner(s)?	Annual Report - Directors' Profile (Page 129)	N	The Company identifies who the independent directors are in the Annual Report. The public can access the document(s) through the Company's website.
E.2.3(P)	Did the company fail to disclose the date of first appointment of each independent directors(s)/commissioner(s)?	Notice of Annual Stockholders' Meeting; Directors' Profile (Starting Page 4-7); Annual Report: Directors' Profile (Pages 133-134)	N	The Company discloses the date of appointment of the Board Members, including the Independent Director(s). The public can access the document(s) through the Company's website.
E.3 External Audit				
E.3.1(P)	Is any of the directors or senior management a former employee or partner of the current external auditor (in the past 2 years)?	Annual Report - Profile of the Board Directors (133)	N	None of the Company's directors are a former employee or a partner of the current external auditor in the past two years. The public can access the document(s) through the Company's website.
E.4 Board structure and composition				
E.4.1 (P)	Is any of the directors a former CEO of the company in the past 2 years?	Annual Report - Profile of the Board Directors (133); Notice of Annual Stockholders' Meeting; Directors' Profile (Starting Page 4-7)	N	None of the Company's directors are former CEO of the Company in the <u>past two years</u> . The public can access the document(s) through the Company's website.