

2016 ASEAN CORPORATE GOVERNANCE SCORECARD
BANKERS ASSURANCE CORPORATION

PART E: RESPONSIBILITIES OF THE BOARD

		Source Document	Yes/No	Remarks
E.1 Board Duties and Responsibilities				
	Clearly defined board responsibilities and corporate governance policies			
E.1.1	Does the company disclose its corporate governance policy / board charter?	As a member of the Malayan Group of Insurance Companies, the Company adopts the Corporate Governance Manual (CGM) of Malayan Insurance Company, Inc.; Corporate Governance Manual (Page 4); Annual Report 2015	Y	The Company discloses its Corporate Governance Policy in the Corporate Governance Manual. The source document(s) may be accessed by the public 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); By-Laws (Pages 3 & 4)	Y	The Corporate Governance Manual, as well as the Company By-Laws disclose matters which requires Directors' approval. The source document(s) may be accessed by the public 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 source document(s) may be accessed by the public through the Company's website.
	Corporate Vision/Mission			
E.1.4	Does the company have a vision and mission statement?	Annual Report (Page 131) The Company adopts and adheres to the Mission, Vision and Core Values of Malayan Group of Companies.	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 source document(s) may be accessed by the public through the Company's website.

E.1.5	Has the board review the vision and mission/strategy in the last financial year?	Corporate Governance Manual (CGM) (Page 4)	Y	Among the responsibilities of the members of the Board is to review the Corporate Governance Manual which is an expression of the Company's Mission and Vision statement. A review has been conducted and the Company has decided to adhere to the Vision and Mission of the previous year. The source document(s) may be accessed by the public through the Company's website.
E.1.6	Does the board of directors monitor/oversee the implementation of the corporate strategy?	Corporate Governance Manual (Page 4)	Y	The source document(s) may be accessed by the public through the Company's website.
E.2 Board structure				
	Code of Ethics or Conduct			
E.2.1	Are the details of the code of ethics or conduct disclosed?	Code of Ethics of Malayan Insurance Company, Inc. and YGC Code of Business Conduct and Ethics (CBCE). As a member of the Malayan Group of Insurance Companies and Yuchengco Group of Companies, The Company adheres and adopts their Code of Ethics and the Code of Business Conduct and Ethics, respectively.	Y	The source document(s) may be accessed by the public 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 (CBCE); (Page 2)	Y	The source document(s) may be accessed by the public 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?	Code of Ethics (Page 1) and CBCE (Pages 3 & 4)	Y	These Codes provide for the ethical standards that an employee must observe and the means to monitor compliance with the same. The source document(s) may be accessed by the public through the Company's website.
Board Structure & Composition				
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 CGM. The source document(s) may be accessed by the public through the Company's website.
E.2.5	Are the independent directors/commissioners independent of management and major/ substantial shareholders?	Corporate Governance Manual (Page 1-2); Annual Report (Pages 124 & 126)	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 source document(s) may be accessed by the public 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 director under IC CL No. 2014-49. We reiterate that the Company has zero tolerance for violation of laws.

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 5)	N	The Company follows the requirement as mandated by appropriate regulation or law. We reiterate the Company has zero tolerance for violation of laws. The source document(s) may be accessed by the public 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 126)	N	The source document(s) may be accessed by the public 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 (Page 126)	N	Our Executive Director, Joselito C. Bantayan does not serve on more than two (2) boards outside the Malayan Group. The source document(s) may be accessed by the public through the Company's website.
Nominating Committee				
E.2.10	Does the company have a Nominating Committee (NC)?	Corporate Governance Manual (Pages 6 & 7) Annual Report (Page 124)	Y	The Corporate Governance Manual discloses that the Company shall have its own Remuneration and Nomination Committee. The source document(s) may be accessed by the public through the Company's website.
E.2.11	Does the Nominating Committee comprise of a majority of independent directors/commissioners?	Corporate Governance Manual (Pages 6 & 7) Annual Report (Page 124)	Y	The constitution of the Nominating Committee follows what is stated in the Corporate Governance Manual. The source document(s) may be accessed by the public through the Company's website.

E.2.12	Is the chairman of the Nominating Committee an independent director/commissioner?	Annual Report (Page 124)	Y	Mr. Edmundo L. Bunyi is the Chairman of the Remuneration and Nomination Committee and is an Independent Director of the Company. The source document(s) may be accessed by the public through the Company's website.
E.2.13	Does the company disclose the terms of reference/ governance structure/charter of the Nominating Committee?	Charter of the Remuneration and Nomination Committee	Y	These meeting are stated in the Charter of the Remuneration and Nomination Committee.
E.2.14	Did the Nominating Committee meet at least twice during the year?	Summary of Meetings of the Renumeration and Nomination Committee	N	
E.2.15	Is the attendance of members at Nominating Committee meetings disclosed?	Summary of Meetings of the Renumeration and Nomination Committee	Y	Attendance of the Members of the Board and Committees at their respective membership is always disclosed.
Remuneration Committee/ Compensation Committee				
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 source document(s) may be accessed by the public through the Company's website.
E.2.17	Does the Remuneration Committee comprise of a majority of independent directors/commissioners?	Corporate Governance Manual (Pages 6 & 7)	Y	The Constitution of the Remuneration Committee follows what is stated in the Corporate Governance Manual. The source document(s) may be accessed by the public through the Company's website.

E.2.18	Is the chairman of the Remuneration Committee an independent director/commissioner?	Annual Report (Page 124)	Y	Mr. Renato Valencia is the Chairman of the Remuneration and Nomination Committee and is an Independent Director of the Company. The source document(s) may be accessed by the public through the Company's website.
E.2.19	Does the company disclose the terms of reference/ governance structure/ charter of the Remuneration Committee?	Charter of the Remuneration and Nomination Committee	Y	The source document(s) may be accessed by the public through the Company's website.
E.2.20	Did the Remuneration Committee meet at least twice during the year?	Date of Board Meetings	Y	The Summary of the Board Meetings disclose who attended the meeting of the Remuneration and Nomination Committee meeting.
E.2.21	Is the attendance of members at Remuneration Committee meetings disclosed?	Date of Board Meetings	Y	
Audit Committee				
E.2.22	Does the company have an Audit Committee?	Corporate Governance Manual (CGM), Pages 7-8)	Y	<u>Default item.</u> The source document(s) may be accessed by the public 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 2015 (Page 124)	Y	The Constitution of the Nominating Committee follows what is stated in the Corporate Governance Manual. The source document(s) may be accessed by the public through the Company's website.
E.2.24	Is the chairman of the Audit Committee an independent director/commissioner?	Annual Report 2015 (Page 124)	Y	Default. The Chairman of the Audit Committee is Mr. Renato C. Valencia, who is an Independent Director of the Company. The source document(s) may be accessed by the public 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	Y	The source document(s) may be accessed by the public through the

E.2.26	Does the Annual Report disclose the profile or qualifications of the Audit Committee members?	Annual Report 2015 (Page 124 & 126) Profile of the Board of Directors	Y	The Annual Report of the Company discloses the profile of the members of the Audit Committee. The source document(s) may be accessed by the public 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)?	Profile of the Members of the Board of Directors	Y	The source document(s) may be accessed by the public through the Company's website.
E.2.28	Did the Audit Committee meet at least four times during the year?		Y	The Audit Committee met at least four (4) times during the year. Both members of the Audit Committee were all present at those meetings.
E.2.29	Is the attendance of members at Audit Committee meetings disclosed?		Y	
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); Minutes of the Annual Stockholders Meeting	Y	Among the major responsibility 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.
E.3 Board Processes				
Board meetings and attendance				
E.3.1	Are the board of directors meeting scheduled before the start of financial year?	By-laws	Y	Two regular meetings of the Board is set on the beginning and the middle of the year.
E.3.2	Does the board of directors/commissioners meet at least six times during the year?	Date of Board Meetings	Y	The members of the Board met at least more than six (6) times during the period in review.
E.3.3	Has each of the directors/commissioners attended at least 75% of all the board meetings held during the year?	Summary of Meetings	Y	
E.3.4	Does the company require a minimum quorum of at least 2/3 for board decisions?	By-laws (Page 5)	N	The Company follows what is provided in the By-laws and Corporation Code. The source document(s) may be accessed by the public 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?		Y	
Access to information				
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 source document(s) may be accessed by the public 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 (Page 8); Minutes of the Annual Stockholders Meeting	Y	In all Company meetings, the Company Secretary acts as the Corporate Secretary. The source document(s) may be accessed by the public 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	The Biographical Data of the Corporate Secretary shows that he possess the required educational background and training to effectively perform his functions. The source document(s) may be accessed by the public through the Company's website.
Board Appointments and Re-Election				
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 source document(s) may be accessed by the public 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 source document(s) may be accessed by the public 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 4)	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 source document(s) may be accessed by the public through the Company's website.
	Remuneration Matters			
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?	Policy Statements (Supplement to the Annual Report) - PS-STTAR, Remuneration Policy and Structure (Page 7)	Y	The source document(s) may be accessed by the public through the Company's website.
E.3.13	Is there disclosure of the fee structure for non-executive directors/commissioners?	Policy Statements (Supplement to the Annual Report) - PS-STTAR, Remuneration Policy and Structure (Page 7)	Y	The source document(s) may be accessed by the public 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?	Charter of the Remuneration and Nomination Committee (Page 2)	Y	The source document(s) may be accessed by the public 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 source document(s) may be accessed by the public through the Company's website.
	Internal Audit			

E.3.16	Does the company have a separate internal audit function?	Internal Audit Department Table of Organization (Internal audit is also handled by Malayan Insurance Company Inc.'s Internal Audit Department)	Y	Both the Table of Organization of the Company and Corporate Governance Manual Disclose that the Company has an Internal Audit Department. The source document(s) may be accessed by the public 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?	Internal Audit Department Table of Organization (Internal audit is also handled by Malayan Insurance Company Inc.'s Internal Audit Department)	Y	The Head of the Internal Audit Department is Mr. Jeffrey C. Pena. The source document(s) may be accessed by the public 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)	Y	The source document(s) may be accessed by the public through the Company's website.
Risk Oversight				
E.3.19	Does the company disclose the internal control procedures/risk management systems it has in place?	Corporate Governance Manual, (Page 11)	Y	The source document(s) may be accessed by the public 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 7-9 & 12)	Y	The source document(s) may be accessed by the public through the Company's website.
E.3.21	Does the company disclose how key risks are managed?	Corporate Governance Manual (Page 11)	Y	The source document(s) may be accessed by the public 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 69)	Y	The source document(s) may be accessed by the public through the Company's website.
E.4 People on the Board				
Board Chairman				

E.4.1	Do different persons assume the roles of chairman and CEO?	Annual Report (Pages 4, 124, 126 & 127)	Y	Different persons assume the roles of the Chairman and CEO. The source document(s) may be accessed by the public 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 2014, 2015 & 2016; Directors and Officers	N	The Company Chairperson is not the Company CEO/President for the immediately preceding three (3) years. The source document(s) may be accessed by the public 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 source document(s) may be accessed by the public through the Company's website.
Skills and Competencies				
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?	Profile of the Members of the Board; Annual Report (Pages 124 & 126)	Y	The source document(s) may be accessed by the public 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 source document(s) may be accessed by the public through the Company's website.
E.5 Board Performance				
Directors Development				
E.5.1	Does the company have orientation programmes for new directors/commissioners?	Orientation Program for New Directors of Malayan Insurance Company, Inc.	Y	The source document(s) may be accessed by the public 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 program, this policy is embodied in the Corporate Governance Manual of the Company. The source document(s) may be accessed by the public through the Company's website.
	CEO/Executive Management Appointments and Performance			
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, (Page 4)	Y	The source document(s) may be accessed by the public 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?	Minutes of the Remuneration and Nomination Charter	Y	The source document(s) may be accessed by the public through the Company's website.
	Board Appraisal			
E.5.5	Is an annual performance assessment conducted by the board of directors/commissioners?	Minutes of the Remuneration and Nomination Charter	Y	The source document(s) may be accessed by the public 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 source document(s) may be accessed by the public 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 source document(s) may be accessed by the public through the Company's website.
	Director Appraisal			

E.5.8	Is an annual performance assessment conducted of individual director/commissioner?	Corporate Governance Manual (Pages 6 & 7)	Y	Minutes of the Remuneration and Nomination Committee demonstrates that members of the Board undergo regular performance assesment.The source document(s) may be accessed by the public 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	Y	The source document(s) may be accessed by the public through the Company's website.
E.5.10	Does the company disclose the criteria used in the director/commissioner assessment?	Remuneration and Nomination Charter	Y	The Minutes of the Remuneration and Nomination Committee meeting as well as the Charter of the Remuneration and Nomination Committeee shows the criteria used in the directors' assessment.The source document(s) may be accessed by the public through the Company's website.
Committee Appraisal				
E.5.11	Is an annual performance assessment conducted of the board of directors/commissioners committees?	Corporate Governance Manual (Pages 6 & 7)	Y	Both Corporate Governance Manual and Minutes of the Remuneration and Nomination Committee demonstrates that members of the Board undergo regular performance assesment. The source document(s) may be accessed by the public through the Company's website.