



*Receiving copy*

May 30, 2025

**HON. REYNALDO A. REGALADO**

Commissioner

**Insurance Commission**

1071 UN Avenue, Manila

Attention: Anti-Money Laundering and Corporate Governance Division

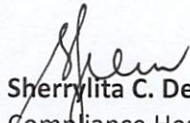
Gentlemen:

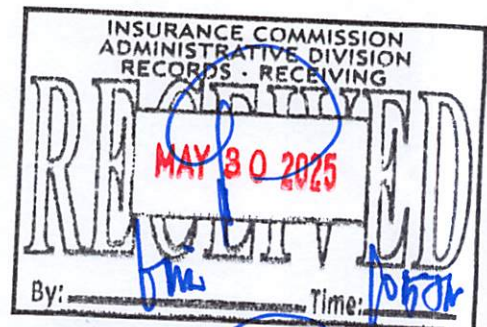
In compliance with IC CL 2020-72, we are submitting the 2024 Annual Corporate Governance Report of Philippines First Insurance Co., Inc.

We will ensure that the copy of the ACGR and all its supporting documents will be posted at [www.philfirst.com.ph](http://www.philfirst.com.ph) within five (5) business days.

We hope you find everything in order.

Truly yours,

  
Sherrylita C. Dela Rosa  
Compliance Head  
[scdelarosa@philfirst.com.ph](mailto:scdelarosa@philfirst.com.ph)  
8892-8888; 09178029101





  
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Insurance Commission - Admin.  
Records Receiving

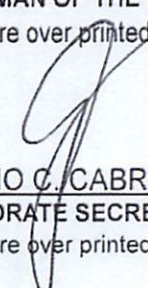
### CERTIFICATION

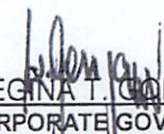
The undersigned certify that the responses and explanations set forth in the above Company's Annual Corporate Governance Report are true, complete and correct of our own personal knowledge and/or based on authentic records.

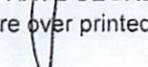
Signed in the City of \_\_\_\_\_ on the \_\_\_\_\_ of \_\_\_\_\_ 20\_\_.


  
EUSEBIO H. TANCO  
CHAIRMAN OF THE BOARD  
Signature over printed name

  
JOSEPH AUGUSTIN L. TANCO  
PRESIDENT/CEO  
Signature over printed name

  
ARSENIO C. CABRERA JR.  
CORPORATE SECRETARY  
Signature over printed name

  
REGINA T. GONZALES  
CORPORATE GOVERNANCE  
COMPLIANCE OFFICER  
Signature over printed name

  
VIRGILIO G. FARCON JR.  
INDEPENDENT DIRECTOR  
Signature over printed name

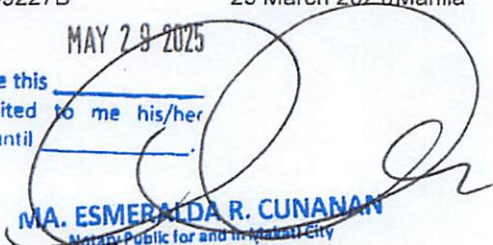
  
JANE L. SY  
INDEPENDENT DIRECTOR  
Signature over printed name

SUBSCRIBED AND SWORN to before me this MAKATI CITY day of MAY 29 2025  
20\_\_, by following who are personally known to me (or whom I have identified through competence  
evidence of identity) and who exhibited to me their respective identification as follows:

NAME	ID NO.	DATE/PLACE ISSUED
1. EUSEBIO H. TANCO	Passport No. P0992946B	11 March 2019/Manila
2. REGINA T. GONZALES	Passport No. P0263752C	27 May 2022/Manila
3. VIRGILIO G. FARCON JR.	TIN 105-336-566	
4. JANE L. SY	TIN 286-300-119	
5. ARSENIO C. CABRERA JR.	Passport No. P6349227B	23 March 2021/Manila

DOC. NO. 434  
PAGE NO. 09  
BOOK NO. 1000  
SERIES OF 2025

SUBSCRIBED AND SWORN to before me this MAY 29 2025  
at Makati City, Philippines. Affiant exhibited to me his/her  
Government ID # \_\_\_\_\_ valid until \_\_\_\_\_

  
MA. ESMERALDA R. CUNANAN  
Notary Public for and in Makati City  
Until December 31, 2025  
Appt. No. M-013 (2024-2025) Makati City  
Attorney's Roll No. 34567  
MCLE Compliance No. VIII-0009662/valid until 4-14-2025  
PTR No. 10467303/1-2-2025/Makati City  
IBP Lifetime Member No. 05113  
G/F Dela Rosa Carpark I, Dela Rosa St.  
Regaspi Village, Makati City

## CERTIFICATION

I, **ARSENIO C. CABRERA, JR.**, Filipino, of legal age, with office address at 5/F SGV II Building, 6758 Ayala Avenue, Makati City, after having been sworn in accordance with law, depose and state that:

1. I am the duly elected and qualified Corporate Secretary of **PHILIPPINES FIRST INSURANCE COMPANY, INC.** (the "Corporation"), a corporation duly organized and existing under and by virtue of the laws of the Republic of the Philippines, with principal office at the 7<sup>th</sup> Floor, STI Holdings Center, 6764 Ayala Avenue, Makati City.
2. I certify that Atty. Virgilio G. Farcon, Jr. ("Atty. Farcon") is an incumbent Independent Director of the Corporation;
3. Atty. Farcon has prior engagement(s) in Tacloban City from 28 May 2025 to 3 June 2025;
4. Due to his engagement(s) in Tacloban City, Atty. Farcon is unable to sign the Corporation's 2024 Annual Corporate Governance Report, which is due to be filed on or before 30 May 2025;
5. This Certification is executed to comply with the requirements of Securities and Exchange Commission with respect to the submission of Corporation's 2024 Annual Corporate Governance Report.

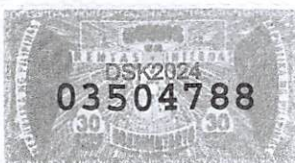
IN WITNESS WHEREOF, I have hereunto affixed my signature this 28<sup>th</sup> day of May 2025 at Makati City.

**ARSENIO C. CABRERA, JR.**  
Corporate Secretary

REPUBLIC OF THE PHILIPPINES)  
MAKATI CITY )S.S.

SUBSCRIBED AND SWORN to before me this 28<sup>th</sup> day of May 2025 in Makati City, affiant exhibiting to me his Driver's License No. N04-91-174941 valid until 25 June 2034 issued at Land Transportation Office.

Doc. No. 354.  
Page No. 72.  
Book No. 1.  
Series of 2025.



**RONALD LUKE T. SARTHOU, JR.**

Notary Public for Makati City  
Appointment No. M-232  
Until 31 December 2026

5/F SGV II Building,  
6758 Ayala Avenue, Makati City  
Roll of Attorneys No. 63690

PTR No. 10466058 / Makati / 02 January 2025  
IBP No. 488264 / Pangasinan / 27 December 2024  
MCLE Compliance No. VIII-0032820 /  
Pasig City / 08 May 2025

## 2024 ANNUAL CORPORATE GOVERNANCE REPORT

	COMPLIANT/ NON-COMPLIANT	ADDITIONAL INFORMATION	EXPLANATION
The Board's Governance Responsibilities			
Principle 1: The company should be headed by a competent, working board to foster the long- term success and sustainability of the corporation 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	Profile of Board of Directors	Credentials of Board of Directors is posted on the company website  www.philfirst.com.ph
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	2024 GIS	Only 36% or 4 out of 11 directors are holding executive position in the Company.  Please refer to page 4 of the 2024 GIS.
Recommendation 1.3			
1 Company provides in its Board Charter or Manual on Corporate Governance a policy on training of directors.	COMPLIANT	Manual on Corporate Governance	Please refer to Item II.6 of PhilFirst's Manual on Corporate Governance – Specific Duties and Responsibilities of a Director.  The Manual is currently under review to include enhancements, such as a more detailed policy on continuing corporate governance education for directors and senior officers.

2 Company provides in its Board Charter or Manual on Corporate Governance an orientation program for first time directors.	COMPLIANT	Manual on Corporate Governance	<p>Please refer to Item II.6 of PhilFirst's Manual on Corporate Governance – Specific Duties and Responsibilities of a Director.</p> <p>The Manual is currently under review to include enhancements, such as a more detailed policy on continuing corporate governance education for directors and senior officers.</p>
3 Company has relevant annual continuing training for all directors.	COMPLIANT	<p>Certificate of Attendance of BOD and Officers are posted on the company website</p> <p>www.philfirst.com.ph</p>	<p>Annual Corporate Governance Seminar for BOD and officers of STI Education Systems Holdings, Inc. Group and Maestro Holdings, Inc. Group [PhilPlans, PhilCare, PhilLife and Philippines First Insurance] was conducted by SGV via remote communication on 21 November 2024.</p>
<b>Recommendation 1.4</b>			
1 Board has a policy on board diversity.	COMPLIANT	<p>Manual on Corporate Governance</p> <p>2024 GIS</p>	<p>Please refer to Manual of Corporate Governance item II. <u>Board Governance 1. Composition of the Board</u></p> <p>The Board is composed of 8 male and 3 female directors. Please refer to page 4 of 2023 GIS</p>
<b>Recommendation 1.5</b>			
1 Board is assisted in its duties by a Corporate Secretary.	COMPLIANT	2024 GIS	<p>Atty. Arsenio C. Cabrera is the Corporate Secretary of Philippines First Insurance Co., Inc.</p> <p>His Curriculum Vitae is available for viewing in the company website.</p> <p>www.philfirst.com.ph</p>

2 Corporate Secretary is a separate individual from the Compliance Officer.	COMPLIANT		<p>Atty. Arsenio C. Cabrera currently serves as the Corporate Secretary of Philippines First Insurance Co., Inc. He does not hold the position of Compliance Officer.</p> <p>In 2024, the Company designated a separate Anti-Money Laundering (AML) Compliance Officer to oversee AML-related matters. Beginning 2025, the Company appointed a dedicated Compliance Officer to handle overall regulatory compliance, separate from the functions of the Corporate Secretary.</p>
3 Corporate Secretary is not a member of the Board of Directors.	COMPLIANT	2024 GIS	Atty. Arsenio C. Cabrera, the Corporate Secretary of Philippines First Insurance, is not a member of the Board of Directors as confirmed in the Company's 2024 GIS.
4 Corporate Secretary attends training/s on corporate governance.	COMPLIANT	<p>Certificates of Attendance of the Board of Directors and officers are posted on the company website:</p> <p><a href="http://www.philfirst.com.ph">www.philfirst.com.ph</a></p>	The Corporate Secretary attends the annual Corporate Governance Seminar conducted for the Board of Directors and officers of STI Education Systems Holdings, Inc. Group and Maestro Holdings, Inc. Group (which includes PhilPlans, PhilCare, PhilLife, and Philippines First Insurance). For 2024, the seminar was conducted by SGV & Co. via remote communication on 21 November 2024.

Recommendation 1.6			
1 Board is assisted with a Compliance Officer	NON-COMPLIANT		<p>In 2024, the Company designated an AML Compliance Officer and an Alternate AML Compliance Officer. However, there was no dedicated Compliance Officer assisting the Board.</p> <p>Moving forward, to ensure full compliance, a dedicated Compliance Officer has been formally appointed effective 2025.</p>
2 Compliance Officer has a rank of Vice-President or an equivalent position with adequate stature and authority in the corporation.	NON-COMPLIANT		<p>As of 2024, a dedicated Compliance Officer with a rank equivalent to Vice-President had not yet been appointed. However, this has been addressed, and a qualified officer with appropriate rank and authority has been designated effective 2025.</p>
3 Compliance Officer is not a member of the Board.	NON-COMPLIANT		<p>In 2024, the Compliance Officer function was not performed by a dedicated officer and was not separate from other roles. Beginning 2025, a dedicated Compliance Officer, who is not a member of the Board, has been appointed to ensure proper checks and balances.</p>
4 Compliance Officer attends training/s on corporate governance annually.	NON-COMPLIANT		<p>There was no dedicated Compliance Officer in 2024 to attend annual corporate governance training. Moving forward, the newly appointed Compliance Officer for 2025 will be enrolled in annual training to strengthen governance awareness and effectiveness.</p>

**Principle 2:** 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	<p>Minutes of BOD Meetings:  04 January 2024  10 May 2024  12 September 2024  09 October 2024  12 November 2024</p> <p>Some details in the minutes were redacted due to confidential information, in adherence to data privacy and confidentiality protocols.</p>	<p>Directors receive information on the agenda prior to each meeting, enabling them to make well-considered decisions. The Board acts collectively to advance the interests of Philippines First Insurance Co., Inc. and its stakeholders. The proceedings and decisions are accurately reflected in the Minutes of Meetings of the Board of Directors.</p>
<b>Recommendation 2.2</b>			
1 Board oversees the development, review and approval of the company's business objectives and strategy.	COMPLIANT	<p>Minutes of BOD Meetings:  04 January 2024  10 May 2024  12 September 2024  09 October 2024  12 November 2024</p> <p>Some details in the minutes were redacted due to confidential information, in adherence to data privacy and confidentiality protocols.</p>	<p>Philippines First Insurance Co., Inc.'s business objectives and strategic plans are presented to the Board for review, guidance, and approval, particularly during scheduled Board meetings. This ensures that strategic direction aligns with the company's goals and is subject to proper oversight and deliberation.</p>

<p>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.</p>	<p>COMPLIANT</p>	<p>2023 Audited Financial Statement</p> <p>2024 Reinsurance Treaty Declaration</p> <p>2024 Minutes of the Board Meeting</p> <p><i>Some details in the minutes were redacted due to confidential information, in adherence to data privacy and confidentiality protocols.</i></p>	<p>The Board monitors the implementation of the Company's business objectives and strategies through regular reporting from Management. Major items presented and discussed with the Board include the Audited Financial Statements, Investment Performance, and Reinsurance Treaty as these are important in evaluating the Company's risks, financial health, and long-term stability.</p>
<p><b>Recommendation 2.3</b></p>			
<p>1 Board is headed by a competent and qualified Chairperson.</p>	<p>COMPLIANT</p>	<p>Mr. Tanco's professional background can be found on the company's website at <a href="http://www.philfirst.com.ph">www.philfirst.com.ph</a>.</p>	<p>The Board of Directors is led by Mr. Eusebio H. Tanco, a highly competent and seasoned Chairperson who brings decades of leadership and industry expertise to the PhilFirst. Mr. Tanco has served as Chairman of the Board and President of Philippines First Insurance Co., Inc. since 1974, demonstrating a long-standing commitment to the company's growth and stability. His extensive experience spans various sectors, including financial services, insurance, education, logistics, manufacturing, and real estate. His academic credentials include a Bachelor of Science in Economics from Ateneo de Manila University and a Master's Degree in Economics and Political Science from the London School of Economics and Political Science.</p>

Recommendation 2.4			
<p>1 Board ensures and adopts an effective succession planning program for directors, key officers and management.</p>	<p>COMPLIANT</p>	<p>Manual on Corporate Governance</p>	<p>As provided under the Duties and Functions of the Board, the Manual states that the Board shall:</p> <p>“Select and appoint the President &amp; CEO and other senior officers, who must have the motivation, integrity, competence and professionalism at a very high level and adopt a professional development program for employees and officers, and succession planning for senior management.”</p> <p>(Manual of Corporate Governance, Section 6.b.ii)</p>

<p>2 Board adopts a policy on the retirement for directors and key officers.</p>	<p>COMPLIANT</p>		<p>The Board has adopted a policy on the retirement of directors and key officers. As stated in the Manual of Corporate Governance, under Part IV, Board of Directors, Section 1 (G):</p> <p>“The Company shall adopt a policy on the retirement age for directors and key officers to promote dynamism in the Board and to ensure continued effective leadership in the Company.”</p> <p>In line with this provision, the company follows a mandatory retirement age of 75 years for directors, unless the Board determines that an extension is in the best interest of the company. For key officers, the retirement age is aligned with applicable labor laws and internal policies. This policy ensures planned succession and continued governance effectiveness.</p>
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Recommendation 2.5			
<p>1 Board adopts and formulates a policy specifying the relationship between remuneration and performance of key officers and board members.</p>	<p>COMPLIANT</p>	<p>Manual on Corporate Governance</p>	<p>The Board has adopted a policy specifying the relationship between remuneration and performance of key officers and board members. As stated in the Manual of Corporate Governance, under Part IV, Board of Directors, Section 1 (G):</p> <p><i>"The Board shall establish formal and transparent procedures for developing a policy on executive remuneration and for fixing the remuneration packages of individual directors, if any, and officers."</i></p>
<p>2 Board aligns the remuneration of key officers and board members with long-term interests of the company.</p>	<p>COMPLIANT</p>	<p>Manual on Corporate Governance</p>	<p>The Board aligns the remuneration of key officers and board members with the long-term interests of the Company. As stated in the Manual of Corporate Governance, under Part IV, Board of Directors, Section 1 (G):</p> <p><i>"Remuneration of the directors and key officers shall be consistent with the Corporation's culture, strategy and the business environment in which it operates. It shall be aligned with the long-term interest of the Corporation and shall be commensurate with the performance of the Corporation and the individual."</i></p>

3 Directors do not participate in discussions or deliberations involving his/her own remuneration.	COMPLIANT	Manual on Corporate Governance	<p>Directors do not participate in discussions or deliberations involving his or her own remuneration. As stated in the Manual of Corporate Governance, under Part IV, Board of Directors, Section 1 (G):</p> <p><i>"No director shall be involved in deciding his or her own remuneration."</i></p>
<b>Recommendation 2.6</b>			
1 Board has a formal and transparent board nomination and election policy.	COMPLIANT	<p>Minutes of the Meeting on 10 May 2024</p> <p>Minutes of the Meeting on 12 November 2024</p> <p>Some details in the Minutes were redacted due to confidential information.</p>	<p>The Board has a formal and transparent board nomination and election policy. This is evidenced by the Minutes of the Organizational Meeting on 10 May 2024, which document the Election of Officers as well as the Election of Board Committee Heads and Members. Additionally, the Minutes of the Meeting on 12 November 2024 reflect the election of Ms. Jane Sy as Independent Director, following the resignation of Mr. Luis Benitez.</p> <p>These records demonstrate the application of a transparent nomination and election process consistent with the principles of good corporate governance.</p>
2 Board nomination and election policy is disclosed in the company's Manual on Corporate Governance.	COMPLIANT	Manual on Corporate Governance	<p>The policy on board nomination and election is disclosed in the Manual of Corporate Governance, under Part IV – Board of Directors, Section 1 (D), which provides that:</p> <p><i>"The Board shall endeavor to have a policy on the formal and transparent board nomination and election process."</i></p>

<p>3 Board nomination and election policy includes how the company accepts nominations from minority shareholders.</p>	<p>NON-COMPLIANT</p>		<p>The Manual of Corporate Governance does not explicitly state how nominations from minority shareholders are accepted. While it provides for a formal nomination and election process, it does not detail procedures for minority shareholder nomination.</p> <p>This gap has been noted and the Company commits to updating the Manual to incorporate guidelines on accepting nominations from minority shareholders moving forward.</p>
<p>4 Board nomination and election policy includes how the board reviews nominated candidates.</p>	<p>NON-COMPLIANT</p>		<p>The Manual of Corporate Governance does not contain specific provisions detailing how the Board reviews nominated candidates.</p> <p>The Company acknowledges this gap and will update the Manual to clearly define the review process for nominated candidates in future revisions.</p>
<p>5 Board nomination and election policy includes an assessment of the effectiveness of the Board's process in the nomination, election or replacement of a director.</p>	<p>NON-COMPLIANT</p>		<p>The current Manual of Corporate Governance does not outline any procedures or metrics for assessing the effectiveness of the nomination, election, or replacement process of directors.</p> <p>This will be addressed in the next revision of the Manual to ensure that a mechanism for such assessment is included.</p>

6 Board has a process for identifying the quality of directors that is aligned with the strategic direction of the company.	COMPLIANT	Manual on Corporate Governance	<p>There is no explicit provision in the Manual of Corporate Governance that links the process of identifying director candidates to the strategic direction of the Company.</p> <p>Moving forward, the Company intends to align the criteria for board selection with strategic objectives and will reflect this alignment in the updated Manual.</p>
<b>Recommendation 2.7</b>			
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	PhilFirst's RPT Policy is posted at <a href="http://www.philfirst.com.ph">www.philfirst.com.ph</a> .	The Board has overall responsibility in ensuring that there is a group-wide policy and system governing related party transactions (RPTs). As stated in the RPT Policy, under Section 1. Objectives, it is the intent of the Policy to ensure that RPTs are undertaken only on an arm's length basis for the financial, commercial, and economic benefit of Philippines First Insurance Co., Inc. and the entire group where the Company belongs, indicating its group-wide application and the Board's oversight.
2 RPT policy includes appropriate review and approval of material RPTs, which guarantee fairness and transparency of the transactions.	COMPLIANT	PhilFirst's RPT Policy is posted at <a href="http://www.philfirst.com.ph">www.philfirst.com.ph</a> .	The RPT Policy includes appropriate measures to review and approve RPTs to ensure fairness and transparency. It provides mechanisms such as ensuring transactions are aligned with the Company's risk appetite, risk profile, and capital strength. Additionally, breaches in limits shall be reported to the Board, and the Board is tasked to document decisions and steps taken to address such breaches in the minutes of meetings, which upholds transparency and governance.

3 RPT policy encompasses all entities within the group, taking into account their size, structure, risk profile and complexity of operations.	COMPLIANT	PhilFirst's RPT Policy is posted at <a href="http://www.philfirst.com.ph">www.philfirst.com.ph</a> .	The RPT Policy explicitly states in Section 2. Coverage that it shall capture a broader spectrum of transactions and cover the identification and prevention or management of potential or actual conflicts of interest, not just at the company level but across the entire group where the Company belongs. This implies that all entities within the group, regardless of size and complexity, are subject to the policy.
<b>Recommendation 2.8</b>			
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	Manual on Corporate Governance	<p>The Board is responsible for approving the selection of the CEO and key officers. As stated in the Manual of Corporate Governance, under Part IV – Board of Directors, Section 1 (A):</p> <p><i>"The Board shall be primarily responsible for the governance of the Corporation and shall, among others... (A) Provide sound strategic policies and guidelines to the Corporation on major areas of operations, including the selection and assessment of management..."</i></p>

2 Board is primarily responsible for assessing the performance 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	Manual on Corporate Governance	<p>The Board is responsible for assessing the performance of the CEO and key officers. This is supported by Part IV – Board of Directors, Section 1 (A) of the Manual:</p> <p><i>“The Board shall be primarily responsible for the governance of the Corporation and shall, among others... (A) Provide sound strategic policies and guidelines to the Corporation on major areas of operations, including the selection and assessment of management...”</i></p>
<b>Recommendation 2.9</b>			
1 Board establishes an effective performance management framework that ensures that Management, including the Chief Executive Officer performance is at par with the standards set by the Board and Senior Management.	COMPLIANT	Manual on Corporate Governance	<p>The Manual of Corporate Governance highlights the Board’s role in overseeing and assessing management’s performance. As stated under Part IV – Board of Directors, Section 1 (A):</p> <p><i>“The Board shall be primarily responsible for the governance of the Corporation and shall, among others... (A) Provide sound strategic policies and guidelines to the Corporation on major areas of operations, including the selection and assessment of management...”</i></p> <p>While the Manual does not detail a specific "performance management framework," this provision supports the Board's responsibility in establishing performance oversight mechanisms for the CEO and management.</p>

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.	NON-COMPLIANT		<p>The Manual of Corporate Governance does not explicitly state that the Board establishes a performance management framework for all personnel. The document focuses on the Board's responsibility for oversight and assessment of management, but there is no clear provision related to personnel-wide performance standards or frameworks.</p> <p>However, the company's existing internal policies and procedures—such as HR performance evaluations and departmental scorecards—support efforts to align personnel performance with organizational standards.</p>
<b>Recommendation 2.10</b>			
1 Board oversees that an appropriate internal control system is in place.	COMPLIANT	Manual on Corporate Governance	<p>The Board is responsible for overseeing that an appropriate internal control system is in place. As stated in the Manual of Corporate Governance, under Part IV, Board of Directors, Section 1 (D):</p> <p><i>"Ensure the presence and adequacy of internal control systems and the integrity of financial reporting process."</i></p>

<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		<p>The Board exercises oversight over the Company's risk management systems. As stated in the Manual of Corporate Governance, under Part IV, Board of Directors, Section 1 (D):</p> <p><i>"Ensure the presence and adequacy of... risk management and control systems."</i></p> <p>This shows that the Board is responsible for ensuring that a sound enterprise risk management (ERM) framework is in place.</p>
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		<p>The Manual of Corporate Governance, under Part IV, Board of Directors, Section 1 (D), provides that the Board shall:</p> <p><i>"Ensure the presence and adequacy of internal control systems and risk management and control systems."</i></p>
<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	Manual on Corporate Governance	<p>The Company's Manual of Corporate Governance functions as the Board Charter. It formalizes the Board's roles, responsibilities, and accountabilities. As stated under Part IV, Board of Directors, the Manual outlines the duties of the Board in fulfilling its fiduciary responsibilities, including oversight of strategy, risk, internal controls, compliance, and performance monitoring.</p>

**Principle 3:** 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.

Recommendation 3.1			
<p>1 Board establishes board committees that focus on specific board functions to aid in the optimal performance of its roles and responsibilities.</p>	<p>COMPLIANT</p>	<p>Manual on Corporate Governance 2024 GIS</p>	<p>The Board has established Board Committees that focus on specific functions to aid in the optimal performance of its roles and responsibilities. As stated in the Manual of Corporate Governance, under Part IV, Section 9: Board Committees (page 12), the following committees are constituted:</p> <p>Audit Committee</p> <p>Nomination Committee</p> <p>Compensation/Remuneration Committee</p> <p>These committees are also reflected in the Company's 2024 General Information Sheet, further confirming their formal establishment.</p>

Recommendation 3.2			
<p>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.</p>	<p>COMPLIANT</p>	<p>Manual on Corporate Governance</p>	<p>The Board has established an Audit Committee to enhance its oversight capability over the company's financial reporting, internal control system, audit processes, and compliance with applicable laws and regulations. As stated in the Manual of Corporate Governance, under Part IV, Section 9 (A) – Audit Committee (pages 12–15), the Committee is tasked with, among others:</p> <ul style="list-style-type: none"> <li>1) Ensuring the integrity of the Company's financial reports and statements;</li> <li>2) Overseeing the internal and external audit processes;</li> <li>3) Monitoring compliance with laws, rules, and regulations; and</li> <li>4) Reviewing internal control mechanisms.</li> </ul> <p>The existence of the Audit Committee is also reflected in the Company's 2024 General Information Sheet, affirming its formal establishment and continued function within the governance structure.</p>

<p>3 All the members of the committee have relevant background, knowledge, skills, and/or experience in the areas of accounting, auditing and finance.</p>	<p>COMPLIANT</p>	<p>Board of Directors' profiles are available at <a href="http://www.philfirst.com.ph">www.philfirst.com.ph</a>.</p>	<p><b>Ms. Jane L. Sy</b>, the Audit Committee Chairman, holds an MBA in Finance and has held senior risk and insurance positions in global firms, including a long-term role as Global Risk Manager for Stolt-Nielsen Ltd.</p> <p><b>Atty. Virgilio G. Farcon, Jr.</b> is a CPA-Lawyer with significant experience in both public accounting (SGV) and corporate legal practice, including tax and audit-related functions.</p> <p><b>Ms. Regina T. Gonzales</b> is a Certified Public Accountant possessing extensive expertise in financial management and leadership within the insurance and real estate industries.</p> <p>Their combined expertise in accounting, insurance, finance, and risk management indicates they are appropriately qualified for audit oversight responsibilities.</p>
<p>4 The Chairman of the Audit Committee is not the Chairman of the Board or of any other committee.</p>	<p>COMPLIANT</p>	<p>Minutes of the Meeting on 10 May 2024</p> <p>Minutes of the Organizational Meeting on 12 November 2024</p> <p>2024 GIS</p>	<p>The 2024 GIS indicate that the Chairman of the Audit Committee holds a position distinct from the Chairman of the Board and does not concurrently chair any other board committee. This adheres to the recommended best practices to maintain independence and objectivity in oversight functions.</p>

**Recommendation 3.4**

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		A separate BROC has not yet been formally constituted. Risk oversight functions are currently handled by the Audit and Risk Management Committee. The existing committee structure supports risk oversight, with plans to align more closely with regulatory expectations.
2 BROC is composed of at least three members, the majority of whom should be independent directors, including the Chairman.	COMPLIANT		A separate BROC has not yet been formally constituted. Risk oversight is currently performed by the Audit and Risk Management Committee, which includes independent directors. The Company is positioned to align with composition requirements in future compliance efforts.
3 The Chairman of the BROC is not the Chairman of the Board or of any other committee.	COMPLIANT		As a separate BROC has not yet been established, this requirement is not yet applicable. The Company is reviewing governance structures to support full compliance moving forward.
4 At least one member of the BROC has relevant thorough knowledge and experience on risk and risk management.	COMPLIANT		As a separate BROC has not yet been established, this requirement is not yet applicable. The Company is reviewing governance structures to support full compliance moving forward.

**Recommendation 3.5**

1 The Board establishes a Related Party Transactions (RPT) Committee, which is tasked with reviewing all material related party transactions of the company.	NON-COMPLIANT	<p>Report on Material Related Party Transactions</p> <p>RPT Policy</p> <p>-both are available in the company website at <a href="http://www.philfirst.com.ph">www.philfirst.com.ph</a></p>	<p>while Philippines First Insurance Co., Inc. has a formal Related Party Transactions (RPT) Policy that clearly outlines internal procedures for identifying, evaluating, and approving material RPTs, the company has not established a separate RPT Committee. Instead, the Audit Committee is currently tasked with the oversight of material RPTs, as designated in the Policy.</p> <p>Despite the absence of a dedicated RPT Committee, the company demonstrates diligence and good governance by submitting its RPT Report quarterly to the Insurance Commission, in compliance with IC Circular No. 2017-29. This consistent submission underscores the company's commitment to transparency and to ensuring all related party transactions are conducted at arm's length and on fair</p>
2 RPT Committee is composed of at least three non-executive directors, majority of whom should be independent, including the Chairman.	NON-COMPLIANT		<p>As there is currently no separate RPT Committee within the Board's structure, this composition requirement does not apply. The Audit Committee, which performs the oversight of related party transactions, includes independent directors, aligned with the governance requirements for such a committee under applicable rules.</p> <p>The company still ensures independent evaluation of related party transactions through its Audit Committee and by regular quarterly submissions to the Insurance Commission, which reinforces adherence to the arm's length principle</p>

**Recommendation 3.6**

1 All established committees have a Committee Charters stating in plain terms their respective purposes, memberships, structures, operations, reporting process, resources and other relevant information.	COMPLIANT	Manual on Corporate Governance – Sections on Board Committees	The Manual on Corporate Governance outlines the structure and responsibilities of the Board committees, particularly the Audit Committee and Corporate Governance Committee. It includes key elements such as purpose, composition, qualifications, and basic operating procedures, which are fundamental to a Committee Charter. These provisions indicate that the company recognizes the importance of governance structure and internal oversight. However, there is no separate or detailed Committee Charter attached or explicitly identified for all committees.
2 Committee Charters provide standards for evaluating the performance of the Committees.	COMPLIANT	Manual of Corporate Governance	The Manual on Corporate Governance generally encourages evaluation of board and committee performance, and it implies oversight responsibilities, but it does not provide specific performance metrics or standards within the committee structures for evaluation. Establishing such standards would strengthen accountability and monitoring mechanisms.

3 Committee Charters were fully disclosed on the company's website.	COMPLIANT	Manual on Corporate Governance RPT Policy 2024 GIS	Based on available information, the Committee Charters are not yet uploaded or disclosed on the company website. While this is an area for improvement in terms of transparency, the company remains diligent in fulfilling its regulatory obligations, such as the quarterly submission of the RPT report to the Insurance Commission, showing a strong commitment to compliance and transparency in its regulated disclosures.
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**Principle 4:** 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.

**Recommendation 4.1**

1 The Directors attends 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>2024 Attendance of Board of Directors</p> <p>Minutes of the Meetings: 04 January 2024 10 May 2024 12 September 2024 09 October 2024 12 November 2024</p> <p><i>Some details in the minutes were redacted due to confidential information, in adherence to data privacy and confidentiality protocol.</i></p> <p>Manual on Corporate Governance Section 3.1 - Meeting Attendance and Participation</p>	<p>In 2024, the full Board met on 04 January, 09 October, 12 September and 12 November (all BOD minutes show quorum and attendance), plus the Annual Stockholders' Meeting on 10 May and the Organizational Meeting immediately thereafter. Each set of minutes records each director's presence (either in person or via secure videoconference) and confirms the conduct of meetings in strict compliance with IC rules on remote attendance.</p> <p>The 2024 collated attendance record confirms that at every scheduled Board session (4 Jan, 29 Apr nomination committee, 10 May organizational/ASM, 12 Sep, 9 Oct, 12 Nov), a quorum was met and all directors either attended in person or via tele-/videoconference.</p>
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2 The directors review meeting materials for all Board and Committee meetings.	COMPLIANT	<p>Minutes of the Meetings: 04 January 2024 10 May 2024 12 September 2024 09 October 2024 12 November 2024</p> <p><i>Some details in the minutes were redacted due to confidential information, in adherence to data privacy and confidentiality protocol.</i></p> <p>Manual on Corporate Governance Section 3.2 Pre-Meeting Distribution of Materials</p>	<p>Per the Manual on Corporate Governance, the Corporate Secretary circulates all Board materials (agenda, management reports, financial statements, and supporting analyses) at least five business days before each meeting.</p> <p>The 2024 minutes consistently record that directors acknowledged receipt of these materials in advance and confirmed they had reviewed them prior to commencement.</p>
3 The directors asks the necessary questions or seek clarifications and explanations during the Board and Committee meetings.	COMPLIANT	<p>Minutes of BOD Meetings: 09 October 2024 12 November 2024</p> <p><i>Some details in the minutes were redacted due to confidential information, in adherence to data privacy and confidentiality protocol.</i></p>	<p>Throughout 2024 sessions (see e.g. 9 October and 12 November minutes), multiple directors posed substantive questions on strategy, risk exposures and key proposals. The minutes capture back-and-forth on capital-allocation models and revisions to the risk-management framework, demonstrating active engagement.</p>
<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 meetings, challenge Management's proposals/views, and oversee the long-term strategy of the company.	COMPLIANT	<p>2024 GIS</p> <p>Manual on Corporate Governance Recommendation 4.2 Limit on Concurrent Directorships</p>	

**Recommendation 4.3**

<p>1 The directors notify the company's board where he/she is an incumbent director before accepting a directorship in another company.</p>	<p>COMPLIANT</p>		<p>In line with the company's Manual of Corporate Governance, directors have a clearly defined obligation to proactively disclose any potential conflicts of interest, including accepting directorships in external entities. The Manual emphasizes transparency, integrity, and accountability, explicitly instructing directors to fully disclose situations that could compromise impartiality or potentially conflict with the company's interests. Directors are further required to abstain from discussions where they might have a personal interest, reinforcing robust governance practices.</p> <p>Positively, this structured framework ensures directors remain diligent, transparent, and capable of effectively managing their responsibilities to Philippines First Insurance Co., Inc. Such clear guidance in the Manual significantly strengthens corporate governance, enhancing stakeholders' trust and confidence in the company's leadership</p>
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**Principle 5:** The board should endeavor to exercise an objective and independent judgment on all corporate affairs.

**Recommendation 5.1**

1 The Board is composed of at least twenty percent (20%) independent directors.	COMPLIANT	2024 GIS	Independent directors constitute at least 20% of the total director number on the Board.
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**Recommendation 5.2**

1 The independent directors possess all the necessary qualifications and none of the disqualifications to hold the position.	COMPLIANT	2024 GIS  Profiles of BOD available at <a href="http://www.philfirst.com.ph">www.philfirst.com.ph</a>	<p>Ms. Jane L. Sy is a Management Engineer (Ateneo de Manila University) with an M.A. in Business Administration from New York University. She has over three decades of leadership experience in finance and corporate governance, having served as Independent Director on multiple publicly listed companies and as a member of their risk, audit, and nomination committees.</p> <p><b>Atty. Virgilio G. Farcon, Jr.</b> is both a Certified Public Accountant and a Lawyer, with early career training at SyCip Gorres Velayo &amp; Co. (SGV) and over twenty years in corporate legal practice. His expertise spans financial audit, tax advisory, regulatory compliance, and board counsel for banking and insurance institutions.</p> <p>Their combined backgrounds in management engineering, advanced business administration, public accounting, law, and extensive committee service demonstrate they possess the integrity, independence, and technical know-how required of independent directors under Philippine corporate governance standards.</p>
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**Recommendation 5.3**

<p>1 The independent directors serve for a maximum 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 the 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 item.</p>	COMPLIANT	<p>Manual on Corporate Governance</p> <p>2017 &amp; 2018 GIS</p> <p>2024 GIS</p>	<p>Under the 2024 ACGR Circular's term-limit rules for insurance companies, an Independent Director's nine-year clock starts on 2 January 2015 (all service from that date onward counts). To date, no one has reached the nine-year maximum:</p> <p>Atty. Virgilio Farcon, Jr.</p> <ul style="list-style-type: none"><li>• First appointed in 2018 → has served from 2018 through 2024 (≈ 6 years)</li></ul> <p>Ms. Jane Sy</p> <ul style="list-style-type: none"><li>• Began her directorship in November 2024 → has served since then (&lt; 1 year)</li></ul> <p>Both remain well within the prescribed nine-year term.</p>
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<p>2 The company bars an independent director from serving in such capacity after the term limit of nine years.</p>	<p>COMPLIANT</p>	<p>Manual on Corporate Governance  2017 &amp; 2018 GIS 2024 GIS</p>	<p>Independent directors are prohibited from serving as such after reaching the maximum tenure provided in the Manual of Corporate Governance and under Insurance Commission Circular Letter 2018-36.</p> <p>Ms. Jane L. Sy was appointed Independent Director on November 12, 2024. Her prior executive roles (e.g., President of Stolt Nielsen Philippines, 2011–2020) ended well before 2022, so she has not served in any executive capacity with PhilsFirst or its related companies in the past two years.</p> <p>Atty. Virgilio G. Farcon, Jr. has served as an Independent Director since 2018. His career history shows no executive appointments with PhilsFirst or its affiliates in the last two years, satisfying the disqualification rule on recent executive service.</p> <p>Their tenures (Sy since 2024; Farcon since 2018) and absence of recent executive roles fully comply with the Manual's requirement that independent directors "have not been employed in any executive capacity by the Corporation, any of its related companies and/or by any of its substantial shareholders within the last</p>
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3 In the instance that the company retains an independent director in the same capacity after nine years, the board submits to the Insurance Commission a formal written justification and seek shareholders' approval during the annual shareholders' meeting.	COMPLIANT	Manual on Corporate Governance Governance Section 11 Independent Directors	Under the Manual on Corporate Governance, there is no provision allowing an independent director to remain beyond his or her prescribed term-limit. The Manual clearly defines the qualifications, disqualification triggers, and term-limits for independent directors (e.g., employment, related-party transactions, committee attendance) but does not include any special resolution, shareholder waiver, or board certification process to extend tenure beyond the standard term
<b>Recommendation 5.4</b>			
1 The positions of Chairman of the Board and Chief Executive Officer are held by separate individuals.	NON-COMPLIANT	Minutes of the Organizational Meetings on 10 May 2024  <i>Some details in the minutes were redacted due to confidential information, in adherence to data privacy and confidentiality protocol.</i>	As of the May 2024 meeting, Mr. Eusebio H. Tanco held both Chairman and President (CEO) roles. This has already been addressed for 2025: Mr. Jaeger L. Tanco was appointed President, while Mr. Eusebio H. Tanco remains as Chairman, securing clear separation of duties.
2 The Chairman of the Board and Chief Executive Officer have clearly defined responsibilities.	COMPLIANT	Manual on Corporate Governance Part II - Board Duties	The Manual delineates distinct duties for the Chairman (board oversight) versus the CEO (operational management), ensuring role clarity even when held by one person.
<b>Recommendation 5.5</b>			
1 If the Chairman of the Board is not an independent director or where the roles of Chairman and CEO are being held by one person, the Board should designate a lead director among the independent directors.	NON-COMPLIANT	Manual on Corporate Governance - Section on Lead Director  Board Minutes (no record of lead director appointment)	No formal designation of a lead independent director was made in 2024. The Board has committed to appointing a lead director from among its independents in 2025 to strengthen independent oversight.

<b>Recommendation 5.6</b>			
1 Directors with material interest in a transaction affecting the corporation should abstain from taking part in the deliberations for the same.	COMPLIANT	Manual on Corporate Governance - Section on Conflict-of-Interest Rules	No transactions have occurred that would trigger a need for abstention in deliberations in 2024. However, this is expressly provided for in the Manual and all directors are enjoined to follow the same.
<b>Recommendation 5.7</b>			
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 directors present to ensure that proper checks and balances are in place within the corporation.	NON-COMPLIANT	Manual on Corporate Governance - Board Meeting Procedures  Board Minutes	2024 Minutes reflect only full-board and committee sessions, with no standalone non-executive meetings. We plan to implement quarterly non-executive sessions in 2025, with specific dates to be confirmed.
2 The meetings are chaired by the lead independent director.	COMPLIANT	Manual on Corporate Governance - Section on Lead Director	Without a lead director in 2024, there was no one to chair such meetings. Once the lead director is appointed in 2025, he or she will chair all non-executive sessions going forward.
<b>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.</b>			
<b>Recommendation 6.1</b>			
1 The Board conducts an annual assessment of its performance as a whole.	NON-COMPLIANT	Manual on Corporate Governance Part VIII – Monitoring & Evaluation Systems	The Manual requires an evaluation system for compliance with the Manual itself, not for assessing Board performance. PhilsFirst has committed to roll out a formal Board performance review process in 2025 to align with best practices.

2 The performance of the Chairman is assessed annually by the Board.	NON-COMPLIANT	Manual on Corporate Governance Part VIII – Monitoring & Evaluation Systems	There is no provision in the Manual for evaluating the Chairman's performance. A Chairman evaluation framework is slated for Board approval in 2025.
3 The performance of the individual member of the Board is assessed annually by the Board.	NON-COMPLIANT	Manual on Corporate Governance Part VIII – Monitoring & Evaluation Systems	The Manual does not cover individual director evaluations. In 2025, PhilsFirst will introduce individual director scorecards to support continuous improvement.
4 The performance of each committee is assessed annually by the Board.	NON-COMPLIANT	Manual on Corporate Governance Part VIII – Monitoring & Evaluation Systems	Committee performance assessments are not included in the Manual. The Audit and Risk Committees will pilot annual self-assessments in 2025, with results reported to the full Board.
5 Every three years, the assessments are supported by an external facilitator.	NON-COMPLIANT		This will be done moving forward to ensure transparency.

#### Recommendation 6.2

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.	NON-COMPLIANT	Manual on Corporate Governance Part VIII – Monitoring & Evaluation Systems	The Manual's evaluation system focuses solely on compliance with the Manual, not on governance performance metrics. PhilsFirst will expand its compliance evaluation system in 2025 to integrate governance performance indicators.
2 The system allows for a feedback mechanism from the shareholders.	NON-COMPLIANT	Manual on Corporate Governance Part VI – Disclosure & Communication Process (minority shareholders' right to propose agenda items)	The Manual expressly grants minority stockholders the right to propose meeting agenda items, establishing a formal channel for shareholder feedback.

**Principle 7:** Members of the Board are duty-bound to apply high ethical standards, taking into account the interests of all stakeholders.

**Recommendation 7.1**

1 Board adopts a Code of Business Conduct and Ethics, which provide standards for professional and ethical behavior, as well as articulate acceptable and unacceptable conduct and practices in internal and external dealings of the company.	COMPLIANT	Company Code of Conduct <a href="http://www.philfirst.com.ph">www.philfirst.com.ph</a>	The Company's Code of Conduct is readily accessible both as a section in the Corporate Governance Manual and on the public website.
2 The Code is properly disseminated to the Board, senior management and employees.	COMPLIANT	Company Code of Conduct	Company Code of Conduct a part of employee orientation for new hires and is disclosed and made available to the public through the company website.
3 The Code is disclosed and made available to the public through the company website.	COMPLIANT	<a href="http://www.philfirst.com.ph">www.philfirst.com.ph</a>	The full text of the Code of Conduct is published under Corporate Governance on <a href="http://philfirst.com.ph">philfirst.com.ph</a> providing transparent, public access to the company's ethical standards.

**Recommendation 7.2**

1 Board ensures the proper and efficient implementation and monitoring of compliance with the Code of Business Conduct and Ethics.	COMPLIANT	Manual on Corporate Governance Part VI – Code of Conduct & Ethics	The Board is mandated to work with management in the enforcement and implementation of the Code.
2 Board ensures the proper and efficient implementation and monitoring of compliance with company internal policies.	COMPLIANT	Manual on Corporate Governance Part VII – Internal Control Systems	The Code itself form part of the integral rules and regulations of the Company and is considered part of the internal policy infrastructure.

### Disclosure and Transparency

**Principle 8:** The company should establish corporate disclosure policies and procedures that are practical and in accordance with best practices and regulatory expectations.

Recommendation 8.1			
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	<p>Manual on Corporate Governance Part VI – Disclosure &amp; Communication Process</p> <p>Minutes of Board of Directors Meeting, 12 September 2024 (presentation of Audited Financial Statements)</p> <p>Minutes of Annual Stockholders' Meeting, 10 May 2024 (approval of 5 May 2023 minutes)</p>	The Manual establishes a formal disclosure policy—mandating accuracy, reliability and defined timelines for financial and operational reports. In practice, the Board received and reviewed the Audited Financial Statements on 12 September 2024, demonstrating timely financial reporting. Furthermore, at the 10 May 2024 Annual Stockholders' Meeting, the Board presented and secured 89% shareholder approval of the prior year's meeting minutes, evidencing a clear procedure for transparent communication and record-keeping with stakeholders.
Recommendation 8.3			
1 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	<p>2024 GIS Director and Key Management Profiles</p> <p>PhilFirst website – “About Us” executive biographies www.philfirst.com.ph</p>	The 2024 GIS and corporate website provide CV-style summaries of education, career highlights, and other qualifications for each key executives along with disclosures of any potential conflicts of interest.
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	<p>2024 GIS Director and Key Management Profiles</p> <p>PhilFirst website – “About Us” executive biographies www.philfirst.com.ph</p>	The 2024 GIS and corporate website provide CV-style summaries of education, career highlights, and other qualifications for each key executives along with disclosures of any potential conflicts of interest.

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	NON-COMPLIANT	Manual on Corporate Governance Part III – Remuneration Committee Charter	The 2024 GIS does not include any description of the Board’s fee-setting framework or the mix of fixed vs. variable components. Although the Manual requires a Remuneration Committee, its charter details are not reflected in the GIS.
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.	NON-COMPLIANT	Manual on Corporate Governance, Part VI – Disclosure & Communication Process	The 2024 GIS lacks narrative on how executive pay is determined - base salary, bonuses, long-term incentives, or benchmarking practices.
3	Company discloses the remuneration on an individual basis, including termination and retirement provisions.	NON-COMPLIANT	2024 GIS	The GIS presents only total fees and salaries in aggregate. There is no per-person breakdown nor any mention of termination or retirement benefits.
Recommendation 8.5				
1	Company discloses its policies governing Related Party Transactions (RPTs) and other unusual or infrequently occurring transactions.	COMPLIANT	Manual on Corporate Governance Part VII – Related Party Transactions	The Manual (Part VII) and its standalone RPT Policy define “related parties,” set approval thresholds, prescribe Audit Committee oversight, and require Board review of all material and infrequent transactions.

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 for confirmation by majority vote of the stockholders in the annual stockholders' meeting during the year.	COMPLIANT	Material Related Party Transactions Report Q4 2024	PhilFirst published its Q4 2024 Material RPT Report—detailing all significant transactions, counterparties, amounts and terms—in compliance with IC Circular 2017-29.  The Company identified material RPTs is also viewable in the corporate website at <a href="http://www.philfirst.com.ph">www.philfirst.com.ph</a>
<b>Recommendation 8.7</b>				
1	Company's corporate governance policies, programs and procedures are contained in its Manual on Corporate Governance (MCG)	COMPLIANT	Manual on Corporate Governance (full document)	PFIC Manual of Corporate Governance consolidates all Corporate Governance policies, committee charters, and ethical guidelines in a single reference.
2	Company's MCG is posted on its company	COMPLIANT	<a href="https://www.philfirst.com.ph/">https://www.philfirst.com.ph/</a>	The latest Manual is downloadable from the Corporate Governance section of <a href="http://www.philfirst.com.ph">www.philfirst.com.ph</a> ensuring public access.
<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.				
<b>Recommendation 9.1</b>				
1	Audit Committee has a robust process for approving and recommending the appointment, reappointment, removal, and fees of the external auditors.	COMPLIANT	Manual on Corporate Governance Part III – Audit Committee Charter	The Charter explicitly mandates that the Audit Committee oversee the selection, evaluation, and compensation of the external auditor, including processes for appointment, reappointment, removal, and fee approval, ensuring a rigorous, formal review.

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	Manual on Corporate Governance Part III – Audit Committee Charter  Minutes of Annual Stockholders' Meeting, 10 May 2024 (shareholder ratification)	The Audit Committee formally recommends the external auditor and its fees, the full Board approves these recommendations, and the 10 May 2024 ASM minutes show shareholder ratification of the auditor engagement and fee schedule.
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.	COMPLIANT	Manual on Corporate Governance Part VII – Disclosure Requirements  PhilFirst website – “Investor Relations” disclosures (no auditor change in 2024)	Although no auditor removal occurred in 2024, the Manual requires that any such actio and its rationale be disclosed to regulators and published online. The absence of removal in the 2024 GIS and on the website confirms compliance with this procedure.
<b>Recommendation 9.2</b>			
1 Audit Committee Charter includes the Audit Committee's responsibility on:  i. assessing the integrity and independence of external auditors;  ii. exercising effective oversight to review and monitor the external auditor's independence and objectivity; and  iii. exercising effective oversight to review and monitor the effectiveness of the audit process, taking into consideration relevant Philippine professional and regulatory requirements.	COMPLIANT	Manual on Corporate Governance Part III – Audit Committee Charter	The Charter explicitly charges the Committee with evaluating the external auditor's integrity and independence prior to engagement and on an ongoing basis.  The Charter empowers the Committee to meet privately with the auditor, review partner assignments, and ensure compliance with independence requirements.  The Charter mandates an annual review of audit scope, methodology, and findings against PICPA and IC standards to assure audit quality.

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	Manual on Corporate Governance Part III – Audit Committee Charter  Section 5.2 of the Audit Committee Charter explicitly requires the Committee to “...review and monitor the external auditor's qualifications, independence, and performance on an annual basis,” thereby covering both suitability and effectiveness in its yearly oversight cycle.
<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	Manual on Corporate Governance Part III – Audit Committee Charter  Minutes of Board Meeting, 12 September 2024  2023 Audited Financial Statements, Note 28 “Audit and Non-Audit Fees” (disclosure of amounts and nature of services)  The September 12, 2024 minutes record the detailed list of non-audit engagements (e.g., tax compliance review, system implementation consulting) pre-approved by the Audit Committee. The 2023 AFS Note 28 then quantifies those services alongside audit fees, ensuring stakeholders can see exactly which non-audit tasks were performed and their cost, thereby addressing any potential conflicts of interest.
2	Audit Committee stays alert for any potential conflict of interest situations, given the guidelines or policies on non-audit services, which could be viewed as impairing the external auditor's objectivity.	COMPLIANT	Manual on Corporate Governance Part III – Audit Committee Charter  Minutes of Board Meeting, 12 September 2024  2023 Audited Financial Statements, Note 28 “Audit and Non-Audit Fees” (disclosure of amounts and nature of services)  The Audit Committee Charter requires pre-approval and periodic review of all non-audit services. In its September meeting, the Committee reviewed each engagement against professional independence standards, as reflected in both the meeting minutes and the auditor's own independence affirmation in the 2023 AFS. This dual oversight ensures any service that might compromise objectivity is flagged and managed.

**Principle 10:** The company should ensure that the material and reportable non-financial and sustainability issues are disclosed.

**Recommendation 10.1**

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	NON-COMPLIANT		While the Manual mandates financial disclosures, it does not yet include a dedicated policy for non-financial (economic, environmental, social, governance) reporting.
2 Company adopts a globally recognized standard/framework in reporting sustainability and non-financial issues.	NON-COMPLIANT		<p>The Company aspires to upgrade its framework for the reporting of sustainability and non-financial issues, and aims to do so in the next iteration of the Manual by the end of 2024.</p> <p>PhilFirst's current disclosures comply with local regulatory requirements but do not follow an established global sustainability framework.</p>

**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 The company should have a website to ensure a comprehensive, cost efficient, transparent, and timely manner of disseminating relevant information to the public.	COMPLIANT	www.philfirst.com.ph	PhilFirst's corporate website provides a centralized, cost-efficient platform for publishing the Annual Report, General Information Sheet, Corporate Governance Manual, Board Minutes, RPT policies, and Audited Financial Statements on a timely basis, ensuring transparent dissemination of relevant information to all stakeholders.
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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 internal control system in the conduct of its business.	COMPLIANT	<p>Manual on Corporate Governance Part VII – Internal Control Systems</p> <p>2023 Audited Financial Statements, Management's Report on Internal Control over Financial Reporting</p>	The Manual prescribes a five-pillar Internal Control System covering control environment, risk assessment, control activities, information & communication, and monitoring - with documented policies and periodic reviews. Management's report in the 2023 AFS confirms the system's design and operating effectiveness. Moreover, the Internal Audit function is shared across the Maestro Group affiliates, promoting consistent control standards and peer reviews throughout the organization.
2	Company has an adequate and effective enterprise risk management framework in the conduct of its business.	COMPLIANT	<p>Manual on Corporate Governance Part VII – Risk Management Framework</p>	The Manual establishes a clear process for identifying, assessing, and monitoring key enterprise risks, assigns accountability to specific officers, and requires periodic reporting to the Board. While the 2024 meeting minutes do not yet show detailed risk discussions, the documented framework itself ensures that risk management is structured and ongoing.

#### 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.	NON-COMPLIANT	Manual on Corporate Governance Part VII – Internal Audit Charter	Although the Manual mandates an in-house Internal Audit function reporting functionally to the Audit Committee, no formal setup or reporting occurred in 2024. To accelerate implementation, PhilsFirst will leverage the Maestro Group's shared Internal Audit team in 2025 providing immediate, independent assurance and consulting services across affiliate companies while PhilsFirst builds out its dedicated audit capacity.
<b>Recommendation 12.3</b>				
1	The company has a qualified Chief Audit Executive (CAE) appointed by the Board.	NON-COMPLIANT	Manual on Corporate Governance Part VII – Internal Audit Charter	The Manual stipulates that the Board must appoint a qualified CAE to head the Internal Audit function. However, no such appointment is documented in 2024. In 2025, PhilsFirst will engage a CAE through the Maestro Group's shared services model—providing immediate access to a qualified audit executive.
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.	NON-COMPLIANT	Manual on Corporate Governance Part VII – Internal Audit Charter	The Manual assigns the CAE responsibility for all internal audit activities both in-house and outsource but with no Board-appointed CAE in 2024, this oversight function is not yet in place. Under the Maestro Group shared services model launching in 2025, the engaged CAE will immediately assume full oversight of both internal and outsourced audit workstreams.

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.	NON-COMPLIANT	Manual on Corporate Governance Part VII – Internal Audit Charter	The Manual provides for a designated executive to manage outsourced audit services, but no such assignment appears in the 2024 minutes. With the Maestro Group's shared Internal Audit structure in 2025, a dedicated senior audit executive will be formally named to oversee any outsourced audit engagements on behalf of PhilsFirst. With the Maestro Group's shared Internal Audit structure in 2025, a dedicated senior audit executive will be formally named to oversee any outsourced audit engagements on behalf of PhilsFirst.
<b>Recommendation 12.4</b>				
1	The company has a separate risk management function to identify, assess and monitor key risk exposures.	NON-COMPLIANT	Manual on Corporate Governance Part VII – Risk Management Framework	While the Manual requires a formal risk management framework (including a Risk Management Committee), there is currently no standalone Risk Management function or department noted in either the GIS or the Board minutes.  A dedicated Risk Management Office is planned for establishment in 2025 reporting directly to the Risk Committee to embed continuous, specialized risk oversight.
<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).	NON-COMPLIANT	Manual on Corporate Governance Part VII – Risk Management Framework	The Manual envisions a CRO to lead ERM, but the 2024 General Information Sheet does not list any such position. PhilsFirst will appoint a CRO via the Maestro Group shared services model in 2025, ensuring immediate leadership for enterprise risk efforts.

2	CRO has adequate authority, stature, resources and support to fulfill his/her responsibilities.	NON-COMPLIANT	Manual on Corporate Governance Part VII – Risk Management FRamework	Since no CRO is yet in place, the question of authority and resources cannot be demonstrated in current disclosures. The forthcoming CRO engagement will include a defined charter, direct Board access, and a dedicated budget to guarantee full support and independence in 2025.
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#### 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	Manual on Corporate Governance Part VI – Shareholder Rights	Shareholder rights are clearly defined and discussed in the Manual - it clearly enumerates shareholders' rights such as voting, dividends, inspection of books, and participation in meetings - fulfilling the requirement to document these rights in the Manual.
2	Board ensures that basic shareholder rights are disclosed on the company's website	COMPLIANT	PhilFirst website - Investor Relations - Shareholders' Information	The "Shareholders' Information" section on philfirst.com.ph lists all core rights and procedures (e.g., how to vote, access reports, submit proposals), making the information readily available to the public.

#### Recommendation 13.2

1	Board encourages active share holder participation by sending the Notice of Annual and Special Shareholders' Meeting with sufficient and relevant information at least 21 days before the meeting.	COMPLIANT	Manual on Corporate Governance	The Notice for the 10 May 2024 Annual Stockholders' Meeting was distributed on 19 April 2024 which is 21 days in advance - with comprehensive agenda details and supporting materials, ensuring shareholders had sufficient time and information to participate actively.
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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.	COMPLIANT	Manual on Corporate Governance Part VI – Shareholder Engagement	The voting outcomes from the 10 May 2024 ASM were published on the company website on 11 May 2024, ensuring shareholders had prompt access to the results the next business day.
2	Minutes of the Annual and Special Shareholders' Meetings are available on the company website within five business days from the end of the meeting.	COMPLIANT	www.philfirst.com.ph	The minutes of the 10 May 2024 ASM were uploaded to the website on 17 May 2024, exactly five business days after the meeting, facilitating timely shareholder review.
Recommendation 13.4				
1	Board has an alternative dispute mechanism to resolve intra-corporate disputes in an amicable and effective manner.	COMPLIANT	Manual on Corporate Governance, xiii–xv (“Establish and maintain an alternative dispute resolution system...”)	The Manual requires the Board to put in place mediation and arbitration procedures to amicably settle conflicts with shareholders, third parties, or regulators, ensuring an effective, non-litigious resolution pathway.
2	The alternative dispute mechanism is included in the company's Manual on Corporate Governance.	NON-COMPLIANT	Manual on Corporate Governance, xiii–xv (“Establish and maintain an alternative dispute resolution system...”)	The full ADR framework covering both in-house mediation steps and external arbitration is explicitly set out in the Manual, providing clear, published guidance for stakeholders.

### Duties to Stakeholders

**Principle 14:** The rights of stakeholder 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

#### 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	Manual on Corporate Governance - Duties and Functions of the Board	The Board's duties include "identifying the Corporation's major and other stakeholders in the community ... and formulating a clear policy on communicating or relating with them ... to serve their legitimate interests." It also mandates an investor-relations program to keep all stakeholders informed, thereby fostering cooperation for mutual growth and sustainability.
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#### Recommendation 14.2

1 Board establishes clear policies and programs to provide a mechanism on the fair treatment and protection of stakeholders.	COMPLIANT	Manual on Corporate Governance Part V - Other Stockholders' Rights	The Manual directs the Board to "promote the right of stockholders, remove impediments to exercise of those rights and provide an adequate avenue for them to seek timely redress" and to "remove excessive or unnecessary costs and other administrative impediments to... meaningful participation," ensuring fair treatment and protection.
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#### Recommendation 14.3

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	Manual on Corporate Governance Part V - Other Stockholders' Rights  Whistleblower Policy  Anti Fraud Plan	The Manual sets out a transparent process for stakeholders to raise concerns and obtain remedy.
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**Principle 15:** 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.

**Recommendation 15.1**

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.	NON-COMPLIANT		While the Manual underscores the importance of corporate governance awareness among Board, Management, Employees and Shareholders, it does not currently prescribe any specific programs, forums or procedures to engage employees directly in goal-setting, decision-making or governance processes.
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**Recommendation 15.2**

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	Manual on Corporate Governance Part VI – Code of Conduct & Ethics (Anti-Corruption provisions)	The Company's Code of Conduct includes a dedicated Anti-Corruption section, explicitly prohibiting bribery and outlining the Company's zero-tolerance stance and related reporting mechanisms. It is also available for viewing on the Company website.
2 Board disseminates the policy and program to employees across the organization through trainings to embed them in the company's culture.	NON-COMPLIANT	Manual on Corporate Governance, Part VI – Code of Conduct & Ethics	While the Code of Conduct includes robust anti-corruption provisions, there is currently no documented evidence of organization-wide training programs to reinforce these standards. PhilFirst is planning a comprehensive anti-corruption training series for 2025 that will utilize e-learning modules to ensure every employee understands and lives the Company's zero-tolerance policy.

**Recommendation 15.3**

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.	NON-COMPLIANT	Whistleblower Policy at <a href="http://www.philfirst.com.ph">www.philfirst.com.ph</a>	While the published policy offers confidential channels to the Compliance Office and Ethics & Compliance Unit, it stops short of guaranteeing employees a direct line to the Lead Independent Director or equivalent. The policy will be reviewed this 2025 to add an explicit escalation path to the Lead Independent Director, ensuring truly independent oversight, if local management channels are bypassed.
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.	NON-COMPLIANT	Whistleblower Policy at <a href="http://www.philfirst.com.ph">www.philfirst.com.ph</a>	While the published policy offers confidential channels to the Compliance Office and Ethics & Compliance Unit, it stops short of guaranteeing employees a direct line to the Lead Independent Director or equivalent. The policy will be reviewed this 2025 to add an explicit escalation path to the Lead Independent Director, ensuring truly independent oversight, if local management channels are bypassed.
3 Board supervises and ensures the enforcement of the whistleblowing framework.	NON-COMPLIANT	Manual on Corporate Governance Part VIII – Monitoring & Evaluation Systems (Compliance Officer duties)	The Manual empowers the Compliance Officer to monitor overall compliance with the Manual but does not expressly require the Board to review whistleblowing activity or enforcement metrics.

**Principle 16:** 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

**Recommendation 16.1**

<p>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.</p>	<p>NON-COMPLIANT</p>		<p>Neither the Manual nor the public disclosures include a clear policy or statement on the company's role in fostering business–society interdependence. Current community activities are conducted on an adhoc basis without an overarching CSR framework. PhilsFirst is developing a formal Corporate Social Responsibility policy for 2025, which will articulate its commitment to sustainable community partnerships and embed societal advancement into its strategic objectives.</p>
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