

# **The Corporate Governance Scorecard for Insurance Companies (Response Form)**

**COMPANY INFORMATION**

Name of Company **GRANITE INTERNATIONAL REINSURANCE BROKERS, INC.**

Address **Unit 205 One Corporate Plaza, 845 Antonio Arnaiz Avenue,  
Legaspi Village, Makati City 1229, Philippines**

Contact Person **CONSTANCIO R. DIAZ II**

Designation **Executive Vice President**

Telephone number **632 8178650 / 8178680**

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**ATTESTATION:**

I attest that, to the best of my knowledge, all information in this assessment is accurate and truthful, and that all supporting documents are adequately provided.

Signed

  
CONSTANCIO R. DIAZ II

Name & Signature of Authorized Company Representative

Date: 28 May 2024

**CORPORATE GOVERNANCE SCORECARD  
FOR INSURANCE COMPANIES**

#	ESSENTIAL STANDARDS	SELF-ASSESSMENT			INFORMATION SOURCE	REMARKS
		IN ADEQUATE	ADEQUATE	BETTER		
	<b>CATEGORIES</b>					
<b>Part I. RIGHTS OF SHAREHOLDERS 15%</b>						
<b>1. Rights Defined</b>						
1.01	The company has allowed shareholders to elect board members individually.		√			
1.02	The election of the members of the board is conducted annually.		√			
<b>2. Quality of Minutes of the Annual General Membership Meeting</b>						
2.01	The minutes includes voting method and vote counting system as agreed and declared before the meeting begins.		√			
2.02	The minutes includes Issues and Motions raised during the meeting.		√			
2.03	The minutes includes corporate acts which were disapproved by the stockholders.		√			
2.04	The minutes has a record that there was an opportunity allowing all shareholders to ask questions/raise issues in the past year.		√			
2.05	There is a record of shareholders questions and corresponding answers from directors/managers during the meeting.		√			

2.06	The minutes of the meeting includes resolutions arrived at during the meeting.		✓					
<b>3. Attendance of the Board Chairman, CEO, Committee Chairman, and Individual Directors</b>								
3.01	The Chairman of the Board attended the last AGM.		✓					
3.02	The CEO/Managing Director attended the last AGM.		✓					
3.03	The Chairman of the Audit Committee the last AGM.		✓					
3.04	The Chairman of the Compensation/Remuneration/Governance Committee attended the last AGM.						BOARD CHAIRMAN TAKING OVER PENDING ASSIGNMENT.	
3.05	The Chairman of the Nomination Committee attended the last AGM.						BOARD CHAIRMAN TAKING OVER PENDING ASSIGNMENT.	
3.06	The company reported board and committee meeting attendance of all directors.		✓				BOARD ONLY	
<b>4. Election/Re-elections</b>								
	All directors/trustees have been subjected to the process of election by the shareholders/members at the AGM meeting following their nomination.		✓					
4.01	The directors/trustees have been elected for a specified term and removed in accordance with the Corporation Code of the Philippines and By-laws.		✓					
4.02	The Board has informed the shareholders/members in a resolution to elect a non-executive director/trustee and the reason why they should be elected.		✓					
4.03			✓					
<b>Part II. EQUITABLE TREATMENT OF SHAREHOLDERS/MEMBERS 15%</b>								

5		For the same class of shares, the principle of "one share one vote" applies.						NA
6		The company has mechanism that allows minority shareholders/members to influence board composition. It may be by cumulative voting or explicitly allowing minority shareholders/members to influence the nomination of independent directors/trustees.		✓				
7		The notice to shareholders/members specifies the documents required to exercise proxy voting.		✓				
8		The company sends out notice of general shareholders' meetings in accordance with Corporation Code and By-Laws.		✓				
9		The company has established a policy or guideline to prevent the use of material inside information and inform all employees, management, and board members of the same.		✓				
10		The Company has a policy on conflict of interest and related-party transactions.		✓				
<b>Part III. THE ROLE OF STAKEHOLDERS 10%</b>								
11		The company addresses the safety and welfare of its employees.		✓				
12		The company provides long-term employee incentive plan linked to shareholder value creation, to employees.		✓				

13		The company provides a retirement plan/fund or its equivalent for its employees.		✓			
14		The company provides a continuing training program for its employees. The company explicitly mentions its obligations to its customers and how these are being addressed, in its public communications/corporate documents.		✓			
15		The company provides programs to address its obligations to society and / or the community in its corporate papers.					NA
16							NA
<b>Part IV. DISCLOSURE AND TRANSPARENCY 30%</b>							
17		The Company has a transparent ownership structure. There is an adequate public information on the company's ownership structure		✓			
	17.01	Breakdown of shareholdings		✓			
	17.02	Identify beneficial ownership.		✓			
	17.03	The directors/trustees' shareholdings are disclosed.		✓			
	17.04	The management shareholdings are disclosed.		✓			
	17.05	Board member's background		✓			
	17.06	Identification of Independent directors/trustees		✓			
18		The company's Annual Report includes: a) the operation and various decisions made by the board; b) Identification of chairman, vice chairman, independent directors, as well as chairman and members of the nomination, audit and remuneration committees; c) disclosure of the chairman's other significant commitments; d) number of meetings of the board and its committees as well as the attendance of their members		✓			EXCEPT NOMINATION COMMITTEE

		as required by IC Corporate Governance Principles and Leading Practices (CGPLP).					
19		The minutes of board meetings reflects all issues and concerns taken up during the meeting as required under the IC Corporate Governance Principles and Leading Practices (CGPLP).	✓				
20		The election of members of the Board is based on their qualification, merit, "fit and proper" rule test and other objective criteria.	✓				
21		There was a careful deliberation and consideration to ensure that all nominees/elected Board members have enough time for the job	✓				
22		There is an established succession plan for the Board and for Senior Management to ensure the presence/ maintenance of a balance of appropriate skills and experience within the Board and the Company.	✓				
23		The company discloses its pending legal tax proceedings, tax assessment notices and voluntary assessment program availments.	✓				
24		Related party transactions are conducted in a manner at least comparable to the normal commercial practices to safeguard the best interest of the Company, its Policyholders, Creditors, and Claimants pursuant to provisions of Title 20 Chapter 3 of the Insurance Code.	✓				

25		<p>Related Party Transactions had been disclosed fully to the Board and prior board approval had been obtained for related party transactions that are material in nature.</p>		✓			
26		<p>The officers and directors have not been engaged in any unfair or deceptive act or conduct constituting unfair trade practices.</p>		✓	✓		
27		<p>The Company has not committed or performed as a general business practice unfair claims settlement practices as defined under Section 241 of the Insurance Code.</p>			✓		
28		<p><b>Board Remuneration</b></p>					
	28.01	<p>The levels of remuneration have been sufficient to attract and retain the quality of directors/trustees in running the company successfully.</p>				NO DEFINITE REMUNERATION	
	28.02	<p>A significant proportion of executive directors remuneration has been structured, written as a matter of policy, so as to link rewards to corporate and individual performances.</p>				NO DEFINITE REMUNERATION	
	28.03	<p>The level of remuneration of non-executive directors has reflected experiences, responsibilities, time commitment, and performances.</p>				NO DEFINITE REMUNERATION	



	28.04	There has been a formal and transparent procedure for developing policy on executive remuneration and for fixing the remuneration packages of individual directors/trustees.					NO DEFINITE REMUNERATION	
	28.05	There is no director/trustee involved in deciding his or her own remunerations.					NO DEFINITE REMUNERATION	
	28.06	A clear, concise and understandable disclosure of compensation of an executive officer for the previous fiscal year and the ensuing year has been provided for in the annual report of the company.					NO DEFINITE REMUNERATION	
	29	<b>The Directors possess the following criteria:</b>						
	29.01	a. They are at least 25 years old and should have the necessary skills, competence and experience, in terms of management capabilities preferably in the field of insurance or insurance-related disciplines.				√		
	29.02	b. They are persons of integrity and credibility				√		
	29.03	e. Attended a special seminar on corporate governance conducted by a training provider accredited by the IC				√		

30		<p>The independent Director possesses all the qualifications and none of the disqualifications provided in the IC CGPLP. Changes in circumstances are immediately disclosed.</p>	✓		
31		<p>A director does not possess any of the permanent disqualifications provided in the IC CGPLP. Changes in circumstances are immediately disclosed.</p>	✓		
32		<p>No Director possesses any of the temporary disqualifications as provided in the IC CGPLP</p>	✓		
33		<p>Internal Audit</p>			
	33.01	<p>The company has an independent internal audit which reports to the Audit Committee and the Board.</p>	✓		
	33.02	<p>The internal audit function provides an independent evaluation of the internal control processes of the company.</p>	✓		
34		<p>The company performs an annual audit using IC accredited external auditors and IC guidelines.</p>	✓		
35		<p>The required financial report was disclosed / submitted to IC in a timely manner during the past year.</p>	✓		

		<p>There are NO accounting qualifications in the audited financial statements apart from the Qualification on Uncertainty of Situation.</p> <p>The Board has a timely and accurate disclosure on all material matters including the financial condition, performance, ownership and governance of the corporation.</p>		✓			
36		<p>All the stakeholders concerned had been provided with a fair and timely cost-efficient access to financial and/or other relevant information, e.g. shareholders; policyholders; creditors; and claimants.</p>		✓			
37		<p>The Board and Senior Management are receiving regular reports on all key aspects of the operation of the corporation, in order to provide a sound basis for assessment in identifying real and potential problems and formulating appropriate policies and strategies thereof.</p>		✓			
38		<p>The company has adopted its own Corporate Governance principles/practices/policies/ manual that clearly describe its value system and management/board responsibilities taking into account the interest of the stockholders. This is being evaluated using 2 criteria (1) board responsibilities are clearly stated; and (2) the corporate governance policy, as approved by the Board, is clearly disclosed to the employees.</p>		✓			
39		<p>The company has provided a code of ethics/business conduct for all directors/trustees and employees to be followed by them.</p>					

**Part V. BOARD RESPONSIBILITY**

		<p>The company has adopted its own Corporate Governance principles/practices/policies/ manual that clearly describe its value system and management/board responsibilities taking into account the interest of the stockholders. This is being evaluated using 2 criteria (1) board responsibilities are clearly stated; and (2) the corporate governance policy, as approved by the Board, is clearly disclosed to the employees.</p>		✓			
41		<p>The company has provided a code of ethics/business conduct for all directors/trustees and employees to be followed by them.</p>					

42		The company has clearly distinguished the roles and responsibilities of the board and management.		✓			
43		The company has clear and progressive corporate vision/mission/values.		✓			
44		<b>Responsibilities of the Board:</b>					
	44.01	The Board meets regularly to discharge its duties and functions as required by the By-Laws and IC CGPLP.		✓			
	44.02	What is the attendance performance of the board members during the past 12 months?		✓			
	44.03	The company provides a risk management policy to ensure effective risk management.		✓			
	44.04	The company has arranged appropriate insurance cover for all directors in relation to their performance of their functions as required under IC CGPLP.			NONE YET		
	44.05	The company designates an officer responsible for ensuring compliance with corporate governance code of policies, and for periodic review of the policies.		✓			

	44.06	<p>The Chairman has been responsible for ensuring that the directors/trustees receive accurate, timely, and complete information. There is an effective line of communication between the chairman and the members of the board.</p>		√			
	44.07	<p>The Chairman has ensured that the company provides orientation program for new recruits to the Board and that the directors continually update their skills, knowledge and familiarity with the company's goals and objectives and that necessary resources are provided in order for the directors to fulfill their role on the Board and/or Board Committees</p>		√			
	44.08	<p>The Corporate Secretary has provided advice and services to the directors / trustee to ensure that directors are duly informed on matters of governance and board procedures are complied with. Corporate Secretary is accessible to all members of the Board.</p>		√			
	44.09	<p>The Board has reviewed and adopted the company's strategic plans as required under IC CGPLP. Such review is documented and used as basis for the company's adoption of its strategic plans.</p>		√			
	44.10	<p>The Board oversees the proper conduct of the company's business to ensure proper management and fair and equitable dealings with the policyholders, claimants and creditors as required under IC CGPLP.</p>		√			
	44.11	<p>The Board has identified and implemented the appropriate risk management systems for the company as required under IC CGPLP.</p>		√			

	44.12	<p>The Board has approved corporate policies in relation to the core areas of operations of the Company. Such approval of the Corporate Policies by the Board is reflected in the minutes of the Board Meeting and circulated to Management</p>	√		
	44.13	<p>The Board has adopted plans for succession, appointment, training and compensation packages for all personnel consistent with the interest of the stakeholders as required under IC CGPLP.</p>	√		
	44.14	<p>The Board has adopted shareholders/members' communication policies for the Company as required under IC CGPLP.</p>	√		
	44.15	<p>The Board has reviewed the internal control systems and management information systems of the company as required under IC CGPLP.</p>	√		
	44.16	<p>The Board has selected and appointed qualified officers to administer its insurance affairs in the course of its business adopting the fit and proper standard as required under IC CGPLP.</p>	√		

	44.17	The Board has reviewed and approved material transactions not in the course of the Company's ordinary business as required under IC CGPLP.		✓			
	44.18	The Board has established a system of checks and balances on the Board as well as its members as required under IC CGPLP.		✓			
	44.19	The Board has placed an appropriate reporting system in order for the Board to monitor and assess the performance of the Company as required under IC CGPLP.		✓			
	44.20	The Board has presented all its members and shareholders/members a balanced and understandable assessment of the Company's performance and financial condition as required under IC CGPLP.		✓			
45		<b>Constitution of an Effective Board</b>					
	45.01	The number of board directors/trustees in the company is within the required range (at least 5 but not more than 15) as required under IC CGPLP.		✓			
	45.02	There are at least two (2) independent directors/trustees in the board as required under IC CGPLP.		✓			
	45.03	There is a balance in the number of executive directors and non-executive directors to ensure that no particular group dominates the Board's decision-making as required under IC CGPLP.		✓			

	45.04	The roles of the Chairman and the Chief Executive Officer are separate to ensure an appropriate balance of power, increased accountability and greater independence in decision-making as required under IC CGPLP.		✓			
	45.05	The meetings of the Board Committees (such as the Nomination, Audit and Remuneration Committees) are attended only by its members and invited resource persons as required under IC CGPLP.		✓			
46		<b>Profile/Qualifications of Chairman and members</b>					
	46.01	The Chairman is a non-executive director/trustee to avoid conflict of interest.		✓			
	46.02	The Board constitutes committees with independent members, including Nomination, Audit and Remuneration Committees or their equivalents as they have critical functions and are deemed to exercise Independent Judgement.		✓			
	46.03	Each of the committees such as Nomination, Audit and Remuneration, has its own charter, wherein its roles, responsibilities and objectives are clearly set out.					
47		<b>Nomination Committee</b>					
	47.01	It is composed of 3 members, one of whom is an independent director.		✓			
	47.02	It has reviewed and evaluated the qualifications of all persons nominated to the board as well as those nominated to other positions requiring appointment by the Board.		✓			



	47.03	It has prepared job specifications for the position of Chairman, including an assessment of the time commitment expected of him recognizing the need for his availability in the event of crisis.		✓		
	47.04	Other significant commitments outside the company of the Chairman have been disclosed to the Board before election and have been included in the company's annual report. Any change thereof has been reported to the Board and included in the next annual report.		✓		
	47.05	The independent directors have opportunity to meet and do what is expected of them.		✓		
	47.06	Other significant commitment of the non-executive directors has been disclosed to the Board before appointments, indicating if they have sufficient time for the Company.		✓		
	48	The Nomination Committee has fully considered the guidelines in the determination of the number of directorships for the Board as prescribed in the IC CGPLP		✓		
	49	<b>The Audit Committee</b>				
	49.01	It is comprised of independent directors/trustees, preferably with accounting and finance experience.		✓		
	49.02	It provides oversight of the company's internal and external auditors.		✓		

	49.03	It is responsible for the setting up of an internal audit department, and the appointment of internal auditors as well as of independent external auditors.		✓			
	49.04	It monitors and evaluates the adequacy and effectiveness of the internal control system of the company.		✓			
50		<b>The Remuneration/Compensation Committee</b>					
	50.01	It is composed of at least 3 members, 1 of whom is an independent director.		✓			
	50.02	It judges or makes plans where to position the company relative to other companies, but with caution in view of the risk of an upward trend of the level of remuneration with no corresponding improvement in performance.		✓			
	50.03	It recommends and monitors the level and structure of salaries including remunerations for senior management, as defined by the Board (normally includes first level management below Board level).		✓			
51		<b>Multiple Boards Seats</b>					
	51.01	The Directors, executive and non-executive, had submitted themselves to a low indicative limit on membership in other corporate boards or those who serve full time in other corporations.		✓			
	51.02	The indicative limits on membership in other corporate boards are being observed by the executive directors, independent non-executive directors and non-executive directors.		✓			

	51.03	If the above indicative limits are not observed, the number of directorships in other corporate boards is not adversely affecting or compromising the capacity of directors concerned to perform their duties diligently.		√			
52		<b>Performance Evaluation</b>					
	52.01	The board conducts an annual self-assessment of their performance.					NA
	52.02	The Board has undertaken a formal and rigorous annual evaluation of its committees.					NA
	52.03	The Board conducts an annual performance assessment of the CEO/President.					NA
	53.04	The performance evaluation by the Chairman has been conducted by the non-executive directors/trustees, taking into account the views of the executive directors/trustees.					NA
	52.05	The Chairman has acted on the results of the performance evaluation made					NA
53		<b>BOARD COMMITTEES</b>					
	53.01	Charter / Role and responsibilities (Is there a charter / policies where committee roles and responsibilities are defined?)				NONE YET	
	53.01.01	i) Audit Committee					NA
	53.01.02	ii) Compensation / Remuneration Committee					NA
	53.01.03	iii) Nomination Committee					NA

	53.02	Profile / Qualifications					NA
	53.02.01	i) Audit Committee					NA
	53.02.02	ii) Compensation / Remuneration Committee					NA
	53.02.03	iii) Nomination Committee					NA
	53.03	Meeting Attendance (Has any meeting of the Committee been cancelled due to lack of quorum?)				NONE	
	53.03.01	i) Audit Committee					NA
	53.03.02	ii) Compensation / Remuneration Committee					NA
	53.03.03	iii) Nomination Committee					NA
54		<b>INTERNAL CONTROL AND RISK MANAGEMENT</b>					
	54.01	The Board ensures that an effective system of controls is in place to safeguard the corporation's assets.		√			
	54.02	Major risks facing the corporation and the approach taken by management in dealing with these risks had been reported to the Board.		√			

	54.03	The Board ensures that reports accurately reflect the financial condition and the results of corporate operations.		✓			
	54.04	The Board regularly reviews the company's risk management system of securing adherence to key internal policies as well as to significant laws and regulations that apply to it.		✓			
	54.05	An effective and comprehensive internal audit of the corporation's internal control system has been carried out by independent and competent staff.		✓			
	54.06	Audit findings and recommendations are reported to the Board and the senior management level of the corporation.		✓			
55		<b>AUDIT COMMITMENT AND AUDITORS</b>					
	55.01	The Board has established an Audit Committee and Internal Audit Office.				AUDIT COMMITTEE ONLY AND IS BEING HANDED BY THE VICE PRESIDENT	
	55.02	The Internal Audit functions are independent of the activities they audit and has performed its duties with impartiality and due professional care.		✓			
	55.03	The Board or Audit Committee has determined the directors of the Internal Audit.		✓			

	55.04	The Audit Committee has elevated to international standards the accounting and auditing processes, practices and methodologies.		✓			
	55.05	The Audit Committee has developed a definitive timetable within which the company's accounting system will be 100% compliant with International Accounting Standards.		✓			
	55.06	The Audit Committee has furnished an accountability statement that will specifically identify officers/personnel directly responsible for the accomplishment of the aforesaid timetable.		✓			
	55.07	Corporate Independence is maintained so as not to compromise the interests of policyholders and other stakeholders.		✓			
	55.08	The Board ensures the Company's compliance with the provisions of the Insurance Code on Holding Companies.		✓			
56		The Companies and Intermediaries have committed themselves to the principles and leading practices contained in the code of Corporate Governance.		✓			
	56.01	a. The company has undertaken every effort necessary to create awareness within the organization.		✓			
	56.02	b. The company has designated a compliance officer holding a position of at least VP or its equivalent and directly reporting to the board					NA

	56.03	c. Timely submission of Scorecard						
	57	Attendance on Corporate Governance Seminar		✓				
	57.01	All board members had participated in the training on Corporate Governance to fully understand their duties and responsibilities.		✓				
	57.02	The senior management or executives with the rank of VP and up had participated in the training on Corporate Governance to fully understand their duties and responsibilities.		✓				