

**ANNUAL CORPORATE GOVERNANCE REPORT OF
GOTUACO, DEL ROSARIO INSURANCE BROKERS, INC.**

(Name of Company)

1. For the fiscal year ended 2023
2. Certificate Authority Number - **License No. IB-48-2022-R**
3. **PHILIPPINES**
Province, Country or other jurisdiction of
incorporation or organization
4. **15F Chatham House Building, 116 Valero corner V. A.
Rufino Streets, Salcedo Village, Makati City** **1227**
Address of principal office Postal Code
5. **63-8888-0001**
Company's telephone number, including area code
6. **www.gra-insurancebrokers.com**
Company's official website
7. **N/A**
Former name, former address, and former fiscal year, if changed since last report.

INTEGRATED ANNUAL CORPORATE GOVERNANCE REPORT

	COMPLIANT T/ NON- COMPLIAN T	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 of the corporation, and to sustain its competitiveness and profitability in a manner consistent with its corporate objectives and the long-term best interests of its shareholders and other stakeholders.			
Recommendation 1.1			
1. Board is composed of directors with collective working knowledge, experience or expertise that is relevant to the company's industry/sector.	Compliant	Link to the individual academic and professional expertise and training of each director. (Education and training of Directors) Link to the Cert. of Attendance on Corp. Governance on 31 January 2024	
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		2 Directors have attended the January 31, 2024 Webinar on Corporate Governance conducted by the Insurance Institute of Asia and the Pacific (IIAP). The others will attend the June and November schedules.
Recommendation 1.2			
1. Board is composed of a majority of non-executive directors.	Non-Compliant	Link to the 2023 GIS	The Board has yet to meet and organize since the Chairman resigned and a member passed away in April 2023.
Recommendation 1.3			
1. Company provides in its Board Charter and Manual on Corporate Governance a policy on training of directors.	Compliant	Link to the Manual on Corp. Governance, Page 3-III.C	
2. Company provides in its Board Charter or Manual on Corporate Governance an orientation for first time directors.	Compliant	Link to the Manual on Corp. Governance, Page 4-III.E-a.	

3. Company has relevant annual continuing training for all directors.	Compliant		2 Directors were able to attend the Webinar on Corporate Governance conducted by the Insurance Institute for Asia and the Pacific, Inc. (IIAP) in the first and second quarters of the year 2024. The others are scheduled in June and November, 2024.
Recommendation 1.4			
1. Board has a policy on board diversity.	Compliant	Link to the 2023 GIS Link to the Education and Training of Directors	<p>The Corporation is composed of members who possess the expertise and experience in their own fields of accountancy, finance, banking, insurance, insurance broking and law.</p> <p>There are 3 female board members out of 7 board members.</p>
Recommendation 1.5			
1. Board is assisted by a Corporate Secretary.	Compliant	Link to the Manual on Corporate Governance re: Duties and functions of a Corporate Secretary. (Page 3 Letter E)	
2. Corporate Secretary is a separate individual from the Compliance Officer.	Compliant		The Corporate Secretary is Atty. Ma. Adelina S. Gatdula whereas the Compliance Officer is Ms. Marichu C. Hao
3. Corporate Secretary is not a member of the Board of Directors.	Compliant		
4. Corporate Secretary attends training/s on corporate governance.	Compliant	Link to the Certificate of Attendance of Seminar on Corporate Governance on November 7, 2023	
Recommendation 1.6			

1. Board is assisted by a Compliance Officer.	Compliant	Link to Ms. Marichu Hao's CV	
2. Compliance Officer has a rank of Senior Vice President or an equivalent position with adequate stature and authority in the corporation.	Compliant		Ms. Marichu C. Hao is the Senior Vice-President for Finance
3. Compliance Officer is not a member of the board.	Non-Compliant	Link on Manual on CG re: Duties and Functions of Compliance Officer. (Page 4, Letter E)	Since she is the SVP for Finance and a trusted member of the Board, she has also been designated as the Compliance Officer.
4. Compliance Officer attends training/s on corporate governance.	Compliant		

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.

Recommendation 2.1

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	Link to the Minutes of the Special Meeting of the Board wherein the Board approved the 2020 Audited Financial Statements – 12 July 2021	
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Recommendation 2.2

1. Board oversees the development, review and approval of the company's business objectives and strategy.	Compliant	Link to Manual on Corp. Governance, Page 4 Letter F	
2. Board oversees and monitors the implementation of the company's business objectives and strategy in order to sustain the company's long-term viability and strength.	Compliant		Weekly – through Mancom meetings every Monday of each week

Recommendation 2.3

1. Board is headed by a competent and qualified Chairperson.	Non-Compliant	Link to 2023 GIS	A new Chairman of the Board has to be elected with the sale of the Gotuacos' shares to the Del Rosarios.
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Recommendation 2.4

1. Board ensures and adopts an effective succession planning program for directors, key officers and management.	Compliant	Link to the Manual on Corp. Governance (Page 5, Letter H)	
2. Board adopts a policy on the retirement for directors and key officers.	Compliant	Link to the Manual on Corp. Governance (Page 5, Letter H)	
Recommendation 2.5			
1. Board formulates and adopts a policy specifying the relationship between remuneration and performance of key officers and board members.	Compliant	Link to the Manual on Corp. Governance – Page 5, Letter I	
2. Board aligns the remuneration of key officers and board members with long term interests of the company,	Compliant	Link to the Manual on Corp. Governance – Page 5, Letter I	
3. Directors do not participate in discussions or deliberations involving his/her own remuneration.	Compliant	Link to the Manual on Corp. Governance – Page 5, Letter I	
Recommendation 2.6			
1. Board has a formal and transparent board nomination and election policy.	Compliant	Link to the pertinent provisions in the By-Laws of the Company and the Manual on Corp. Governance, Pages 5 and 6, Letter J	
2. Board nomination and election policy is disclosed in the company's Manual on Corporate Governance.	Compliant	Link to the Manual on Corporate Governance, (Pages 5 and 6, Letter J)	

3. Board nomination and election policy includes how the company accepts nominations from minority shareholders.	Compliant	Link to the Manual on Corp. Governance, Pages 5 and 6, Letter J	
4. Board nomination and election policy includes how the board reviews nominated candidates.	Compliant	Link to the Manual on Corp. Governance, Pages 5 and 6, Letter J	
5. Board nomination and election policy includes an assessment of the effectiveness of the Board's processes in the nomination, election or replacement of a director.	Compliant	Link to the By-Laws, Art. III-7, Art. IV-3	
6. Board has a process for identifying the quality of directors that is aligned with the strategic direction of the company.	Compliant	Link to the Manual on CG, Pages 5 and 6, Letter J	
Recommendation 2.7			
1. Board has overall responsibility in ensuring that there is a group-wide policy and system governing related party transactions (RPTs) and other unusual or infrequently occurring transactions.	Compliant	Link to the Manual on Corporate Governance. (Page 7, Letter K)	
2. RPT policy includes appropriate review and approval of material RPTs, which guarantee fairness and transparency of the transactions.	Compliant	Link to the Manual on Corporate Governance. (Page 7, Letter K)	
3. RPT policy encompasses all entities within the group, taking into account their size, structure, risk profile and complexity of operations.	Compliant	Link to the Manual on Corporate Governance. (Page 7, Letter K)	
Recommendation 2.8			

1. Board is primarily responsible for approving the selection of Management led by the Chief Executive Officer (CEO) and the heads of the other control functions (Chief Risk Officer, Chief Compliance Officer and Chief Audit Executive).	Compliant	Link to Art. V, By-Laws of the Company and the Manual on Corp. Governance, Page 7, Letter L	<p>The Management Team appointed by the Board are:</p> <ol style="list-style-type: none"> 1. President & CEO 2. Senior Vice-President for Employee Benefits 3. Senior Vice-President for Property & Casualty 4. Senior Vice-President for Finance
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		<p>The Board makes the assessment during the annual Business meeting wherein the Management team reports on their respective operations to the Board.</p> <p>The Board considers the accomplishment and plans of each member, makes comments and approves the business plan or suggests revisions to make the proposed plan more workable.</p>
Recommendation 2.9			
1. Board establishes an effective performance management framework that ensures that Management, including the Chief Executive Officer's performance is at par with the standards set by the Board and Senior Management.	Compliant		<p>The Board does this during the Annual Board meeting where the President & CEO makes his Report on the performance/operations of the Company for the year ended.</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.	Compliant		The Board and Management had set up an Annual Performance Assessment where employees are evaluated by their respective Department Heads. The employees are rated and will receive an adjustment in their salaries in accordance with their job performance for the year immediately preceeding the assessment.
Recommendation 2.10			
1. Board oversees that an appropriate internal control system is in place.	Compliant	Link to Manual on Corp. Governance, Page 7, Letter M	
2. The internal control system includes a mechanism for monitoring and managing potential conflict of interest of the Management, members and shareholders.	Non-Compliant	Link to Manual on Corp. Governance, Page 7 Letter M	The Board still has to formulate the Internal Audit Charter.
3. Board approves the Internal Audit Charter.	Non-Compliant	Link to Manual on Corp. Governance, Page 7, Letter M	The Board has not formulated the Internal Audit Charter yet.
Recommendation 2.11			
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	Link to Manual on Corp. Governance, Page 8, Letter N.	
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		The strict adherence to the ERM has prevented the company's clients from incurring losses; thereby strengthening confidence of the clients in the company resulting in more business coming in.

Recommendation 2.12			
1. Board has a Board Charter that formalizes and clearly states its roles, responsibilities and accountabilities in carrying out its fiduciary duties.	Non-compliant	Link on the Manual on Corporate Governance (Page 8, Letter O)	<u>Board still has to come up with its Board Charter.</u>
2. Board Charter serves as a guide to the directors in the performance of their functions.	Non-Compliant		
3. Board Charter is publicly available and posted on the company's website.	Non-compliant		
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			
1. Board establishes board committees that focus on specific board functions to aid in the optimal performance of its roles and responsibilities.	Compliant	Link to Minutes of Board Meeting dated July 26, 2019	
Recommendation 3.2			

1. Board establishes an Audit Committee to enhance its oversight capability over the company's financial reporting, internal control system, internal and external audit processes, and compliance with applicable laws and regulations.	Compliant		Messrs. Antonio G. Cumagun and Enrique D. Perez, both independent directors, were appointed as co-chairpersons of the Audit Committee, in line with the requirement under the Revised Corporate Governance Code. The members are: Arthur L. Panganiban, Jr. Margarete R. Isleta
2. Audit Committee is composed of at least three appropriately qualified non-executive directors, the majority of whom, including the Chairman is independent.	Compliant	Link to the Charter of GRA Audit Committee	
3. All the members of the committee have relevant background, knowledge, skills, and/or experience in the areas of accounting, auditing and finance.	Compliant	Link to the Education and training of Directors	
4. The Chairman of the Audit Committee is not the Chairman of the Board or of any other committee.	Compliant		The Chairperson of the Audit Committee is an independent director and is not the Chairman of the Board
Recommendation 3.3			
1. Board establishes a Corporate Governance Committee tasked to assist the Board in the performance of its corporate governance responsibilities, including the functions that were formerly assigned to a Nomination and Remuneration Committee.	Compliant	Link to the CV of Ms. Marichu C. Hao as Compliance Officer Link to the Manual on Corp. Governance, Page 4, Letter E	The functions of the Compliance Officer are stated on the Manual on Corporate Governance.
2. Corporate Governance Committee is composed of at least three members, all of whom should be independent directors.	Non-compliant		The Compliance Officer is the Senior Vice-President for Finance and Treasury as well. The IT Officer and an Adm. Supervisor are currently assisting her.
3. Chairman of the Corporate Governance Committee is an independent director.	Non-compliant		The Compliance Officer who serves as the Chairperson of the Committee is not an independent director.
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.	Non-compliant	Link to Manual on Corp. Governance, Page 8, Letter N	The whole Board performs this function with the assistance and upon the recommendation of the Senior Vice-President for Employee Benefits and Vice-President for Property and Casualty and the approval of the President & CEO.
2. BROC is composed of at least three members, the majority of whom should be independent directors, including the Chairman.	Non-compliant		The whole Board performs this function.
3. The Chairman of the BROC is not the Chairman of the Board or of any other committee.	Compliant		The President & CEO serves as the Chairman of the BROC and is not the Chairman of the Board or any other committee.
4. At least one member of the BROC has relevant thorough knowledge and experience on risk and risk management.	Compliant		The whole Board performs this function and has the requisite knowledge and experience on risk and risk management.
Recommendation 3.5			
1. Board establishes a Related Party Transactions (RPT) Committee, which is tasked with reviewing all material related party transactions of the company.	Non-compliant		The whole Board performs this function. Upon recommendation by the Senior Vice-President for Finance and with the concurrence of the external counsel of the company, the whole Board will decide whether the transaction is related party or not.
2. RPT Committee is composed of at least three non-executive directors, two of whom should be independent, including the Chairman.	Compliant	Link to the Manual on Corp. Governance, Page 7, Letter K	The whole Board performs the function of the committee; and out of 7 members, 1 is independent.
Recommendation 3.6			

1. All established committees have a Committee Charter stating in plain terms their respective purposes, memberships, structures, operations, reporting process, resources and other relevant information.	Compliant	Link to the Charters of the Nomination, Remuneration and Audit Committees	
2. Committee Charters provide standards for evaluating the performance of the Committees.	Compliant		
3. Committee Charters were fully disclosed on the company's website.	Compliant	www.gra_insurancebrokers.com	

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 attend and actively participate 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	Link to the By-Laws of the Company, Art. IV.4 and 5, Pages 5 & 6	
2. The directors review meeting materials for all Board and Committee meetings.	Compliant		
3. The directors ask the necessary questions or seek clarifications and explanations during the Board and Committee meetings.	Compliant		

Recommendation 4.2

1. Non-executive directors concurrently serve as directors to a maximum of five Insurance Commission Regulated Entities (ICRE's) and publicly-listed companies to ensure that they have sufficient time to fully prepare for minutes, challenge Management's proposals/views, and oversee the long-term strategy of the company.	Compliant	Link to the Manual on Corp. Governance, Page 8, V-2. Link to the Education and Training of the Directors	The company does not have any policy setting the limit of board seats that a NED can hold simultaneously.
Recommendation 4.3			
1. The directors notify the company's board before accepting a directorship in another company.	Compliant	Link to the Manual on Corp. Governance, Page 8, V-2.	
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 twenty (10%) independent directors.	Non-Compliant	Link to the 2023 GIS	<p>One (1) out of 7 directors is an Independent Director.</p> <p>The Board has yet to meet to appoint a new independent director to replace the independent director who passed away.</p>
Recommendation 5.2			
1. The independent director possesses all the qualifications and none of the disqualifications to hold his position.	Compliant	Link to the Education and Training of the Independent Director	
Recommendation 5.3			

<p>1. The independent directors serve for a cumulative term of nine years.</p> <p>As far as the 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 the 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		The independent directors came on board only in 2019.
<p>2. The company bars an independent director from serving in such capacity after the term limit of nine years.</p>	Compliant	Link to Part VI-J Reinforcement of Board Independence of the Manual on Corporate Governance. (Page 10)	
<p>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.</p>	Compliant	Link to Part VI-J Reinforcement of Board Independence of the Manual on Corporate Governance. (Page 10)	
Recommendation 5.4			
<p>1. The positions of Chairman of the Board and Chief Executive Officer are held by separate individuals.</p>	Compliant		<p>Chairman of the Board – Lawrence J. Gotuaco</p> <p>President & Chief Executive Officer – Arthur L. Panganiban, Jr.</p>

2. The Chairman of the Board and Chief Executive Officer have clearly defined responsibilities.	Compliant	Link to Part VI. 3; which provides the role and responsibilities of the CEO and to Part III – G that provides for the role and responsibilities of Chairman of the Board. (Pp. 4, 5 and 10)	The Chairman and the CEO are not related to each other.
Recommendation 5.5			
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 designates a lead director among the independent directors.	Compliant		The Chairman of the Board and the CEO are different persons; so, there was no need for the Board to designate a lead independent director.
Recommendation 5.6			
1. Directors with material interest in a transaction affecting the corporation abstain from taking part in the deliberations on the transaction.	Compliant		
Recommendation 5.7			
1. The non-executive directors (NEDs) have separate periodic meetings with the external auditor and heads of the internal audit, compliance and risk functions, without any executive directors present to ensure that proper checks and balances are in place within the corporation.	Compliant		The NEDs had met with the internal audit team and the external auditors for the final figures for the 2022 Financial Statements of the Company.
2. The meetings are chaired by the lead independent director.	N/A		

Principle 6: The best measure of the Board's effectiveness is through an assessment process. The Board should regularly carry out evaluations to appraise its performance as a body, and assess whether it possesses the right mix of backgrounds and competencies.			
Recommendation 6.1			
1. Board conducts an annual self-assessment of its performance as a whole.	Compliant	Link to VII, page 11 of the Manual on Corp. Governance	
2. The Board assesses the performance of the Chairman annually.	Compliant		
3. The Board assesses the performance of the individual member of the Board annually.	Compliant		Link to the Manual on Corporate Governance, VII, Page 11
4. The Board assesses the performance of each committee annually.	Compliant		
5. Every three years, an external facilitator supports the assessments.	Non-Compliant		
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.	Compliant	Link to the Manual on Corporate Governance, VII, Page 11	The Board, individual directors and committees are assessed based on their performance on the tasks/projects assigned to them. During the annual Board meeting, the stockholders decide on whether to retain them or not.
2. The system allows for a feedback mechanism from the shareholders.	Compliant		The shareholders/stockholders decide whether to retain them or not as directors based on the outcome of the tasks/projects assigned to them.
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	Link to Company Rules	
2. The Code is properly disseminated to the Board, senior management and employees.	Compliant	Link to the Company Rules	Each member of the Board, senior management and employees were given a copy of the Company Rules .
3. The Code is disclosed and made available to the public through the company website.	Compliant	www.gra_insurancebrokers.com	An abbreviated copy of the Company Rules had been posted in the company website.
Recommendation 7.2			
1. Board ensures the proper and efficient implementation and monitoring of compliance with the Code of Business Conduct and Ethics.	Compliant	Link to Company Rules on Confidentiality of GRA Files	
2. Board ensures the proper and efficient implementation and monitoring of compliance with company internal policies.	Compliant		
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	Link to <u>Company Data Privacy Policy</u> and to the 2022 Audited Financial Statements of the Company	
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	Link to Education and Trainings of Directors	
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		
Recommendation 8.4			
1. Company provides a clear disclosure of its policies and procedure for setting Board remuneration, including the level and mix of the same in the Annual Corporate Governance Report consistent with ASEAN Corporate Governance Scorecard (ACGS) and the Revised Corporation Code.	Compliant	Link to the Manual on Corp. Governance – III.I, Page 5 Link to the Minutes of the Board Meeting held on November 12, 2010	The members of the Board do not receive compensation; only a per diem of Ps 10,000.00 per meeting.
2. Company provides a clear disclosure of its policies and procedure for setting Executive remuneration, including the level and mix of the same in the Annual Corporate Governance Report consistent with ASEAN Corporate Governance Scorecard (ACGS) and the Revised Corporation Code.	Compliant	Link to the Manual on Corp. Governance – III.I, Page 5	

3. Company discloses the remuneration on an individual basis, including termination and retirement provisions.	Compliant	Link to the Company Rules	<p>The Salary and compensation of each employee cannot be disclosed since this is protected under the Data Privacy Law of the Company.</p> <p>The termination provisions can be found in the Company Rules and in the appropriate provisions of the Labor Code of the Philippines.</p> <p>The Company has a Retirement Plan which is under the Management of an Actuary Bank.</p>
Recommendation 8.5			
1. Company discloses its policies governing Related Party Transactions (RPTs) and other unusual or infrequently occurring transactions.	N/A		
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.	N/A		
Recommendation 8.7			
1. Company's corporate governance policies, programs and procedures are contained in its Manual on Corporate Governance (MCG).	Compliant	https://www.gra-insurancebrokers.com/	

2. Company's MCG is posted on its company website.	Compliant		
Principle 9: The company should establish standards for the appropriate selection of an external auditor, and exercise effective oversight of the same to strengthen the external auditor's independence and enhance audit quality.			
Recommendation 9.1			
1. Audit Committee has a robust process for approving and recommending the appointment, reappointment, removal, and fees of the external auditors.	Compliant	Link to MCG, X, Page 11	
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		2/3 of the outstanding capital stock
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.	Non-Compliant		The reason for the removal/change of the external auditor if ever, will only be communicated to the regulators but not publicly.
Recommendation 9.2			

1. Audit Committee Charter includes the Audit Committee's responsibility on:	Compliant	Link to the Audit Committee's Charter	
<ul style="list-style-type: none"> 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. 			
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	Link to the Audit Committee's Charter	
Recommendation 9.3			
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.	N/A		N/A
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	Link to the MCG, Part X, Page 11	
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.	Compliant	Link to MCG, Part XI, Page 12	
2. Company adopts a globally recognized standard/framework in reporting sustainability and non-financial issues.	N/A		No Report on Sustainability yet.

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	https://www.gra-insurancebrokers.com/	
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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

<p>1. Company has an adequate and effective internal control system in the conduct of its business.</p>	<p>Compliant</p>	<p>Link to MCG, Part XIII, Pages 12 & 13</p>	<p>Important Programs of the Internal Audit System:</p> <ol style="list-style-type: none"> 1. Effective performance management and accounting in the organization; 2. Regular and special audit as contained in the annual audit plan and/or based on the Company's risk assessment; and 3. Compliance audit of relevant laws, rules and regulations contractual obligations and other commitments, which could have a significant impact on the organization <p>The internal control system is reviewed quarterly.</p>
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<p>2. Company has an adequate and effective enterprise risk management framework in the conduct of its business.</p>	<p>Compliant</p>	<p>Link to MCG, Part XIII, Page 12</p>	<p>Key risks that the Company are facing today are:</p> <ol style="list-style-type: none"> 1. Market risk 2. Client satisfaction risk 3. Employee retention risk 4. Regulatory risk <p>The Company manages these risks through:</p> <ol style="list-style-type: none"> 1. Maintaining good business relations with partners/insurers 2. Ensuring that the best terms at the most reasonable costs are obtained for the clients' satisfaction 3. Optimization of Company resources that will benefit the employees and paying the employees just salary and better benefits 4. Compliance to avoid penalties and sanctions <p>The ERM is reviewed annually.</p>
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Recommendation 12.2			
1. Company has in place an independent internal audit function that provides an independent and objective assurance, and consulting services designed to add value and improve the company's operations.	Compliant		The internal audit is In-house; headed by the SVP for Finance.
Recommendation 12.3			
1. Company has a qualified Chief Audit Executive (CAE) appointed by the Board.	Compliant	Link to the Audit Committee's Charter	Ms. Marichu C. Hao
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.			
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.	N/A		N/A
Recommendation 12.4			
1. Company has a separate risk management function to identify, assess and monitor key risk exposures.	Compliant	Link to MCG, Part XIII, Page 12	
Recommendation 12.5			

1. In managing the company's Risk Management System, the company has a Chief Risk Officer (CRO), who is the ultimate champion of Enterprise Risk Management (ERM).

Compliant

[Link to MCG, Part XIII, Page 12 and 13](#)

Ms. Rowena R. Nicolas – SVP for Employee Benefits (CRO)

Responsibilities:

Overseeing daily operations and performance for her division.
Assessing, evaluating, and reporting on staff as well as key business indicators.
Strategizing and implementing operational and structural changes with other senior executives.
Providing oversight and support to the division's VPs and managers.
Researching and identifying new business ventures for the company.
Performing regular analyses of business operations and enhancing current business practices.
Preparing, delivering, and presenting reports at key executive meetings.

Mr. Jay H. Inocentes – SVP for Property and Casualty (CRO)

Responsibilities:

Assisting the president and the board of directors to design the company's overall mission, values, and strategic goals.
Attending meetings with the board of directors and sharing company information.
Leading, guiding, directing, and evaluating the work of other employees, such as senior directors and managers, and ensuring a healthy working environment.
Contributing to sales innovations, strategic business development, and the profitability of the company as determined by the company's strategic goals.

2. CRO has adequate authority, stature, resources and support to fulfill his/her responsibilities.	Compliant		<p>Evaluating the success of the company in achieving its goals and formulating plans to correct any issues if the company is not achieving its goals.</p> <p>Managing the daily operations and revenue generation of the company and ensuring its continual growth.</p> <p>Assisting in maximizing the company's operating performance and achieving its financial goals.</p>
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	Link to MCG – Part XIV, Pages 13 and 14	
2. Board ensures that basic shareholder rights are disclosed on the company's website.	Compliant	https://www.gra-insurancebrokers.com/	
Recommendation 13.2			
1. Board encourages active shareholder participation by sending the Notice of Annual and Special Shareholders' Meeting with sufficient and relevant information at least 28 days before the meeting.	Compliant	Link to MCG, Part XIV – On Right to Propose the Holding of Special Meetings, Page 13	At least 21 days before the meeting in accordance with the Manual on Corporate Governance of the Company.
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		
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	Link to the Minutes of the Special Meeting of the Board on (November 2021	
Recommendation 13.4			
1. Board has an alternative dispute mechanism to resolve intra-corporate disputes in an amicable and effective manner.	Compliant	Link to MCG, Part XIV – On Intra-Corporate Disputes, Page 14	
2. The alternative dispute mechanism is included in the company's Manual on Corporate Governance.	Compliant	Link to MCG, Part XIV-On Intra-Corporate Disputes, Page 14	
Duties to Stakeholders			
Principle 14: The rights of stakeholders established by law, by contractual relations and through voluntary commitments must be respected. Where stakeholders' rights and/or interests are at stake, stakeholders should have the opportunity to obtain prompt effective redress for the violation of their rights.			
Recommendation 14.1			
1. Board identifies the company's various stakeholders and promotes cooperation between them and the company in creating wealth, growth and sustainability.	Compliant	Link to 2023 GIS	
Recommendation 14.2			
1. Board establishes clear policies and programs to provide a mechanism on the fair treatment and protection of stakeholders.	Compliant	Link to MCG – Parts XV and XVI, Pages 14 and 15	
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	Link to MCG – Part XVI, Page 15	Hotline – 09989970346
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.	Compliant	Link to MCG – Part XVI, Page 15 and Company Rules	
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	Link to MCG – Part XVI, Page 15 and Company Rules	
2. Board disseminates the policy and program to employees across the organization through trainings to embed them in the company's culture.	Compliant	Link to Company Rules	
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.	Compliant		

2. Board establishes a suitable framework for whistleblowing that allows employees to have direct access to an independent member of the Board or a unit created to handle whistleblowing concerns.	Compliant	Link to MCG – Part XVI	8662-3632
3. Board supervises and ensures the enforcement of the whistleblowing framework.	Compliant	Link to MCG – Part XVI, Page 15	No incident so far
<p>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 development.</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.	Compliant	Link to Part XVII of the MCG	<p>The Company undertook an Outreach Program in 2023 to install an extended wash area in the school premises of Senior High School, Pasig. Water facility was installed in some ladies' lavatories for sanitation. Ceilings were also installed under the galvanized roofs to cool down the school rooms. The Company also distributed school bags and supplies to the students and groceries to the teachers.</p> <p>GRA was able to do this in partnership with its providers like PGA.</p>