

ANNUAL CORPORATE GOVERNANCE REPORT OF

THE PREMIER INSURANCE AND SURETY CORPORATION (TPISC)

(Name of Company)

1. For the fiscal year ended **December 31, 2020**

2. Certificate Authority Number **26043**

3. **City of Manila**

Province, Country or other jurisdiction of incorporation or organization

4. **3rd Floor Room 301 Travellers Life Building 490 T.M. Kalaw St., Ermita Manila**

Address of principal office

1000

Postal Code

5. **(02)8551-5098/ (02)8282-3645**

Company's telephone number, including area code

6. <https://main.thepremier.com.ph/home>

Companies Official Website

7. **THE PREMIER INSURANCE AND SURETY CORPORATION**

Former name, former address, and former fiscal year, if changed since last report

ANNUAL CORPORATE GOVERNANCE REPORT

COMPLIANT/ NON- COMPLIANT		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	Provide information or link/ reference to a document containing information on the following: 1. Academic qualifications, industry knowledge, professional experience, expertise and relevant trainings of directors. 2. Qualifications standards for directors to facilitate the selection of potential nominees and to serve as benchmark for the evaluation of its performance	https://www.main.thepremier.com.ph/assets/uploads/2021/asm2021notice.pdf#toolbar=0
2. Board has an appropriate mix of competence and expertise	COMPLIANT		https://www.main.thepremier.com.ph/assets/uploads/2021/asm2021notice.pdf#toolbar=0
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		https://www.main.thepremier.com.ph/assets/uploads/2021/asm2021notice.pdf#toolbar=0
Recommendation 1.2			
1. Board is composed of a majority of non-executive directors	COMPLIANT	Identify or provide link/ reference to a document identifying the directors and their type of directorship	https://main.thepremier.com.ph/assets/uploads/2020/gis-2020.pdf
Recommendation 1.3			
1. Company provides in its Board Charter or Manual on Corporate Governance a policy on training of directors.	COMPLIANT	Provide link or reference to the company's Board Charter or Manual on Corporate Governance relating to its policy on training of directors.	https://main.thepremier.com.ph/governance
2. Company provides in its Board Charter or Manuka on Corporate Governance an orientation program for first times directors	NON-COMPLIANT	Provide information or link/ reference to a document containing information on the orientation program and trainings of directors for the previous year, including the number of hours attended and topics covered.	NA- Due to the pandemic, no trainings were made possible.
3. Company has relevant annual continuing training for all directors.	NON-COMPLIANT		NA- All trainings were put on hold due to the pandemic
Recommendation 1.4			

1. Board has a policy on board diversity	NON-COMPLIANT	Provide information on or link/ reference to a document containing information on the company's board diversity policy. Indicate gender composition of the board	NA- The company is still planning on the policy on board diversity
Recommendation 1.5			
1. Board is assisted in its duties by Corporate Secretary	COMPLIANT		https://main.thepremier.com.ph/assets/uploads/2021/By-Laws.pdf#page=11
2. Corporate Secretary is separate individual form the compliance officer	COMPLIANT		https://main.thepremier.com.ph/assets/uploads/2021/By-Laws.pdf#page=11
3. Corporate Secretary is not a member of the Board of Directors	NON-COMPLIANT	Provide information on or link/ reference to a document containing information on the Corporate Secretary, including his/ her name qualifications, duties and functions.	NA-Currently, the Corporate Secretary of the Company is a member of the Board of Directors
4. Corporate Secretary attends training/s on corporate governance	COMPLIANT	Provide information or link/ reference to a document containing information on the corporate governance training attended, including number of hours and topics covered.	https://main.thepremier.com.ph/assets/uploads/2021/By-Laws.pdf#page=11
Recommendation 1.6			
1. Board is assisted by a Compliance Officer	COMPLIANT		https://main.thepremier.com.ph/assets/uploads/2020/AS_2020.pdf
2. Compliance Officer has a rank of Vice President or an equivalent position with adequate stature and authority in the corporation.	COMPLIANT		https://main.thepremier.com.ph/assets/uploads/2020/AS_2020.pdf
3. Compliance Officer is not a member of the Board	NON-COMPLIANT	Provide Information on or link/reference to a document containing information on the Compliance Officer, including his/her name, position, qualifications, duties, and functions.	Compliance Officer is member of the Board.
4. Compliance Officer attends training/s on corporate governance annually	NON-COMPLIANT	Provide information on or link/ reference to a document containing information on the corporate governance training attended, including number of hours and topics covered.	All trainings put on hold due to the pandemic.

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 pronouncement 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 fully informed basis, in good faith, with due diligence and care, and in the best interest of the company	COMPLIANT	Provide information or reference to a document containing information on how the directors performed.	https://main.thepremier.com.ph/assets/uploads/2021/By-Laws.pdf#page=5
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Recommendation 2.2

1. Board oversees the development, review and approval of the company's business objectives and strategy	COMPLIANT		https://main.thepremier.com.ph/governance
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	Provide information or link/ reference to a document containing on how directors performed this function (can include board resolutions, minutes of the . Indicate frequency of review of business objectives and strategy.	https://main.thepremier.com.ph/governance

Recommendation 2.3

1. Board is headed by a competent qualified person	COMPLIANT	Provide information or reference to a document containing information on the Chairperson, including his/her name and qualifications.	https://main.thepremier.com.ph/directors-geo
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Recommendation 2.4

1. Board ensures and adopts a effective succession planning program for directors, key officers and management.	COMPLIANT		https://main.thepremier.com.ph/assets/uploads/2021/By-Laws.pdf#page=5
2. Board adopts policy on the retirement for directors and key officers	COMPLIANT	Disclose and provide information or link/ reference to a document containing information on the company's succession planning and retirement policies and programs, and its implementation	NA-The Company has a policy on the retirement for directors and key officers, however it is not possible to disclose it on the website.
Recommendation 2.5			
1. Board formulates and adopts a policy specifying the relationship between remuneration and performance of key officers and board members	COMPLIANT	Provide information on or link/ reference to a document containing information on the company's remuneration policy and its implementation, including the relationship between remuneration and performance.	https://main.thepremier.com.ph/assets/uploads/2021/By-Laws.pdf#page=7
2. Board aligns the remuneration of key officers and board members with long-term interests of the company	COMPLIANT		https://main.thepremier.com.ph/assets/uploads/2021/By-Laws.pdf#page=7
3. Directors do not participate in discussions or deliberations involving his/ her own remuneration.	COMPLIANT		
Recommendation 2.6			
1. Board has a formal and transparent board nomination and election policy	COMPLIANT	Provide information or reference to a document containing information on the company's nomination and election policy and process and its implementation,	https://main.thepremier.com.ph/assets/uploads/2021/By-Laws.pdf#page=5

2. Board nomination and election policy is disclosed in the company's Manual on Corporate Governance	COMPLIANT	including the criteria used in selecting new directors, how the shortlisted candidates and how it encourages nominations from shareholders.	https://main.thepremier.com.ph/assets/uploads/2021/By-Laws.pdf#page=6
3. Board nomination and election policy includes how the company accepts nominations from minority shareholders.	COMPLIANT	Provide proof is minority shareholders have a right to nominate candidates to the board. Provide information if there was an assessment of the effectiveness of the Board's processes in the nomination, election or replacement of a director.	https://main.thepremier.com.ph/assets/uploads/2021/By-Laws.pdf#page=6
4. Board nomination and election policy includes how the board reviews nominated candidates.	COMPLIANT		https://main.thepremier.com.ph/assets/uploads/2021/By-Laws.pdf#page=6
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		https://main.thepremier.com.ph/assets/uploads/2021/By-Laws.pdf#page=6
6. Board has a process for identifying the quality of directors that is aligned with the strategic direction of the company	COMPLIANT		https://main.thepremier.com.ph/assets/uploads/2021/By-Laws.pdf#page=6

Recommendation 2.7

<p>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.</p>	<p>NON-COMPLIANT</p>	<p>Provide information on or reference to a document containing the company's policy on related party transaction, including policy on review and approval of significant RPTs. Identify transactions that were approved pursuant to the policy.</p>	<p>NA-The Company is still planning to formulate a group-wide policy and system governing related party transactions (RPTs) and other unusual or infrequently occurring transactions.</p>
<p>2. RPT policy includes appropriate review and approval of material RPTs, which guarantee fairness and transparency of the transactions.</p>	<p>NON-COMPLIANT</p>		<p>Policy still to be formulated.</p>
<p>3. RPT policy encompasses all entities within the group, taking into account their size, structure, risk profile and complexity of the operations.</p>	<p>NON-COMPLIANT</p>		<p>Policy still to be formulated.</p>

Recommendation 2.8

<p>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)</p>	<p>COMPLIANT</p>	<p>Provide information on or reference to a document containing the board's policy and responsibility for approving the selection of management. Identify the management team appointed.</p>	<p>https://main.thepremier.com.ph/assets/uploads/2021/By-Laws.pdf#page=6</p>
<p>2. Board is primary 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).</p>	<p>COMPLIANT</p>	<p>Provide information on or reference to a document containing the board's policy and responsibility for assessing the performance of management. Provide information on the assessment process and indicate frequency of assessment of performance.</p>	<p>https://main.thepremier.com.ph/assets/uploads/2021/By-Laws.pdf#page=6</p>
<p>Recommendation 2.9</p>			
<p>1. Board established 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 Senior Management.</p>	<p>COMPLIANT</p>		<p>https://main.thepremier.com.ph/assets/uploads/2021/By-Laws.pdf#page=9</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	Provide information on or link/ reference to a document containing the Board's performance management framework for management and personnel.	https://main.thepremier.com.ph/assets/uploads/2021/By-Laws.pdf#page=9
Recommendation 2.10			
1. Board oversees that an appropriate internal control system is in place.	COMPLIANT	Provide information on/ or link/ reference to a document showing the Board's responsibility for overseeing that an appropriate internal control system is in place and what is included in the internal control system.	https://main.thepremier.com.ph/assets/uploads/2021/By-Laws.pdf#page=6
2. The internal control system includes a mechanism for monitoring and managing potential conflict of interest of the management, members and shareholders.	NON-COMPLIANT		NA- The Company has a mechanism for monitoring and managing potential conflict of interest of the management, members and shareholders, however it is not possible to disclose it on the website.
3. Board approves the Internal Audit Charter.	NON-COMPLIANT	Provide reference or link to the company's internal audit charter.	NA-Charter still for formulation considering the change of management.
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		https://main.thepremier.com.ph/assets/uploads/2021/By-Laws.pdf#page=7

<p>2. The risk management framework guides the Board in identifying units/ business lines and enterprise-level risk exposures, as well as effectiveness of risk management strategies.</p>	<p>COMPLIANT</p>	<p>Provide information on or link/ reference to a document showing the Board's oversight responsibility on the establishment of a sound enterprise risk management framework and how the board was guided by the framework. Provide proof of effectiveness of risk management strategies, if any.</p>	<p>https://main.thepremier.com.ph/assets/uploads/2021/By-Laws.pdf#page=7</p>
<p>Recommendation 2.12</p>			
<p>1. Board has a Board Charter that formalizes and clearly states its roles, responsibilities and accountabilities in carrying out its fiduciary duties.</p>	<p>COMPLIANT</p>	<p>Provide link to the company's website where the Board Charter is disclosed.</p>	<p>https://main.thepremier.com.ph/code-ethics</p>
<p>2. Board's Charter serves as a guide to the directors in the performance of their functions.</p>	<p>COMPLIANT</p>		<p>https://main.thepremier.com.ph/code-ethics</p>
<p>3. Board charter is publicly available and poster on the company's website.</p>	<p>COMPLIANT</p>		<p>https://main.thepremier.com.ph/code-ethics</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 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	Provide information or line/ reference to a document containing information on all the board committees established by the company	https://main.thepremier.com.ph/assets/uploads/2021/By-Laws.pdf#page5
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Recommendation 3.2

1. Board established 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	Provide information or link/reference to a document containing information on the Audit Committee, including its functions. Indicate if it is the Audit Committee's responsibility to recommend the appointment and removal of the company's external auditor.	https://main.thepremier.com.ph/assets/uploads/2021/By-Laws.pdf#page=6
2. Audit committee is composed of at least three appropriately qualified non-executive directors, the majority of whom, including the chairman is independent.	COMPLIANT	Provide information or link/reference to a document containing information on the members of the Audit Committee, including their qualifications and type of directorship.	https://main.thepremier.com.ph/assets/uploads/2020/gis-2020.pdf#page=4
3. All the members of the committee have relevant background, knowledge, skills, and/or experience in the areas of accounting, auditing, and finance.	COMPLIANT	Provide information or link/ reference to a document containing information in the background, knowledge, skills, and/or experience of the members of the Audit Committee.	https://main.thepremier.com.ph/assets/uploads/2020/asm2020notice.pdf#toolbar=0
4. The Chairman of the Audit Committee is not the Chairman of the Board or of any other committee	COMPLIANT	Provide information or link/ reference to a document containing information on the Chairman of the Audit Committee.	https://main.thepremier.com.ph/assets/uploads/2021/By-Laws.pdf#page=6

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.	NON-COMPLIANT	Provide information or reference to a document containing information on the Corporate Governance Committee, including its functions. Indicate if the committee undertook the process of identifying the quality of directors aligned with the company's strategic direction, if applicable.	NA-The Company is still planning to establish a Corporate Governance committee.
2. Corporate Governance Committee is composed of at least three members, majority of whom should be independent directors.	NON-COMPLIANT	Provide information or link/ reference to a document containing information on the Chairman of the Corporate Governance Committee.	NA-The Company is still planning to establish a Corporate Governance committee.
3. Chairman of the Corporate Governance Committee is an independent director.	NON-COMPLIANT	Provide information or link/ reference to a document containing information on the Chairman of the Corporate Governance Committee.	NA-The Company is still planning to establish a Corporate Governance committee.
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	Provide information or link/ reference to a document containing information on the Board Risk Oversight Committee (BROC), including its functions.	NA-The Company is still planning to establish a separate Board Risk Oversight Committee for the year 2021.
2. BROC is composed of at least three members, the majority of whom should be independent directors, including the Chairman.	NON-COMPLIANT	Provide information or link/ reference to a document containing information on the members of the BROC, including their qualifications and type of directorship. ,	NA-The Company is still planning to establish a separate Board Risk Oversight Committee for the year 2021.
3. The Chairman of the BROC is not the Chairman of the Board of any other committee.	NON-COMPLIANT	Provide information or link/ reference to a document containing information on the Chairman of the BROC	NA-The Company is still planning to establish a separate Board Risk Oversight Committee for the year 2021.
4. At least one member of the BROC has relevant thorough knowledge and experience on risk and risk management.	NON-COMPLIANT	Provide information or link/ reference to a document containing information on the background, skills, a and/or experience of the members of the BROC.	NA-The Company is still planning to establish a separate Board Risk Oversight Committee for the year 2021.

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	Provide information or link/ reference to a document containing information on the Related Party Transactions (RPT) Committee, including its functions.	NA-The Company is still planning to establish a Related Party Transactions (RPT) Committee for the year 2021.
2. RPT Committee is composed of at least three non-executive directors, majority of whom should be independent, including Chairman.	NON-COMPLIANT	Provide link to company's website where the Committee Charters are disclosed.	NA-The Company is still planning to establish a Related Party Transactions (RPT) Committee for the year 2021.

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

<p>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.</p>	<p>COMPLIANT</p>	<p>Provide information or link/ reference to a document containing information on the process and procedure for tele/ videoconferencing board and/or committee meetings. Provide information or link/reference to a document containing information on the attendance and participation of directors to Board, Committee and shareholders' meetings.</p>	<p>https://www.main.thepremier.com.ph/assets/uploads/2021/asm2021notice.pdf#toolbar=0</p>
<p>2. The directors review meeting materials for all Board and Committee meetings.</p>	<p>COMPLIANT</p>		<p>https://www.main.thepremier.com.ph/assets/uploads/2021/asm2021notice.pdf#toolbar=0</p>
<p>3. The directors asks the necessary questions or seek clarifications and explanations during the Board and Committee meetings</p>	<p>COMPLIANT</p>	<p>Provide information or link/reference to a document containing information on any questions raised or clarification/ explanation sought by the directors.</p>	<p>https://www.main.thepremier.com.ph/assets/uploads/2021/asm2021notice.pdf#toolbar=0</p>

Recommendation 4.2

<p>1. Non-executive directors concurrently serve as directors to a maximum of five Insurance Commission Regulated Entities (ICREs) and public-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.</p>	<p>COMPLIANT</p>	<p>Disclose if the company has a policy setting the limit of board seats that a non-executive director can hold simultaneously. Provide information or reference to a document containing information on the directorships of the company's directors in both listed and non-listed companies.</p>	<p>NA-Non-executive directors have limited directorship only to sister companies or affiliates which are not ICREs or public-listed companies.</p>
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Recommendation 4.3

1. The Directors notify the company's board where he/she is an incumbent director before accepting a directorship in another company.	NON-COMPLIANT	Provide copy of written notification to the board or minutes of board meeting wherein the matter was discussed.	NA-No such written policy but the Directors usually submit CV before accepting the post.
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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%) of independent directors.	NON-COMPLIANT	Provide information or link/ reference to a document containing information on the number of independent director.	Amendment of By-Laws was made in 2020 in order to include 2 independent directors for 2021 election.
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Recommendation 5.2

1. The board is composed of at least twenty percent (20%) of independent directors.	NON-COMPLIANT		Amendment of By-Laws was made in 2020 in order to include 2 independent directors for 2021 election.
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Recommendation 5.3

1. The independent directors serve for a maximum cumulative term of nine years. As far as Insurance Companies are concerned, the foregoing term limit shall be reckoned from 02 January 2015 whole the reckoning date for the Pre-need companies and health maintenance organizations shall be from 21 September 2016. 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.	NON-COMPLIANT	Provide information or link/ reference to a document showing the years IDs have served as such.	Amendment of By-Laws was made in 2020 in order to include 2 independent directors for compliance purposes.
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2. The company bars an independent director from serving in such capacity after the term limit of nine years.	NON-COMPLIANT	Provide information or link/reference to a document containing information on the company's policy on term limits for its independent director.	Amendment of By-Laws was made in 2020 in order to include 2 independent directors for compliance purposes.
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.	NON-COMPLIANT	Provide proof on submission of a formal written justification to the insurance Commission and proof of shareholders' approval during the annual shareholders' meeting.	Amendment of By-Laws was made in 2020 in order to include 2 independent directors for compliance purposes.
Recommendation 5.4			
1. The positions of Chairman of the Board and Chief Executive Officer are held by separate individuals.	NON-COMPLIANT	Identify the company's Chairman of the Board and Chief Executive Officer	NA-Since the company was acquired by a new management last 2019, The Chairman also holds the position of CEO.
2. The Chairman of the Board and Chief Executive Officer have clearly defined responsibilities.	NON-COMPLIANT	Provide information or line/ reference to a document containing information on the roles and responsibilities of the Chairman of the Board and Chief Executive Officer. Identify the relationship of Chairman and CEO.	NA-Since the company was acquired by a new management last 2019, The Chairman also holds the position of CEO.
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 should designate a lead director among the independent directors.	NON-COMPLIANT	Provide information or link/ reference to a document containing information on a lead independent director and his roles and responsibilities, if any. Indicate if Chairman is independent.	NA-For discussion and formulation of the new management.
Recommendation 5.6			

1. Directors with material interest in a transaction affecting the corporation should abstain from taking part in the deliberations for the same.	COMPLIANT	Provide proof of abstention, if this was the case.	NA-As a general rule, that is the practice. But for 2020, the same was not applied for lack of transaction.
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Recommendation 5.7			
<p>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.</p>	NON-COMPLIANT	<p>Provide proof and details of said meeting, if any. Provide information on the frequency and attendees of meetings.</p>	NA- The company is under a new management so set-up on meetings were not yet properly placed.
<p>2. The meetings are chaired by the lead independent director.</p>	NON-COMPLIANT		NA- No independent director as of 2020.

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 . The Board conducts an annual assessment of its performance as a whole.	NON-COMPLIANT		NA-Since the company was acquired by a new management last 2019,the Board is still planning to formulate assessment of its performance.
2. The performance of the Chairman is assessed annually by the Board.	NON-COMPLIANT		NA-Since the company was acquired by a new management last 2019,the Board is still planning to formulate an annual assessment for the Chairman's performance.
3. The performance of the individual member of the Board is assessed annually by the Board.	NON-COMPLIANT		NA-Since the company was acquired by a new management last 2019,the Board is still planning to formulate an annual assessment for its individual members .
4. The performance of each committee is assessed annually by the Board.	NON-COMPLIANT	Provide proof of annual assessments conducted for the whole board, the individual members, the Chairman and the Committees.	NA-Since the company was acquired by a new management last 2019,the Board is still planning to formulate an annual assessment for its individual members .
5. Every three years, the assessments are supported by an external facilitator.	NON-COMPLIANT	Identify the external facilitator and provide proof of use of an external facilitator.	NA-Still for formulation

Recommendation 6.2

<p>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.</p>	<p>NON-COMPLIANT</p>		<p>NA- The Board is still planning to formulate a system that provides, at the minimum, criteria and process to determine the performance of the Board, individual directors and committees.</p>
<p>2. The system allows for a feedback mechanism from the shareholders.</p>	<p>NON-COMPLIANT</p>	<p>Provide information or link/reference to a document containing information on the system of the company to evaluate the performance of the board, individual directors and committees, including a feedback mechanism from shareholders.</p>	<p>NA- Policy still for formulation.</p>

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	Provide information on or link/reference to the company's Code of Business Conduct and Ethics.	https://main.thepremier.com.ph/code-ethics
2. The Code is properly disseminated to the Board, senior management and employees.	COMPLIANT	Provide information on or discuss how the company disseminated the Code to its Board, senior management and employees.	https://main.thepremier.com.ph/code-ethics
3. The Code is disclosed and made available to the public through the company website.	COMPLIANT	Provide a link to the company's website where the Code of Business Conduct and Ethics is posted/ disclosed.	https://main.thepremier.com.ph/

Recommendation 7.2

1 . Board ensures the proper and efficient implementation and monitoring of compliance with the Code of Business Conduct and Ethics.	COMPLIANT	Provide proof of implementation and monitoring of compliance with the Code of Business Conduct and Ethics and internal policies.	https://main.thepremier.com.ph/code-ethics
2. Board ensures the proper and efficient implementation and monitoring of compliance with company internal policies.	COMPLIANT	Indicate who are required to comply with the Code of Business Conduct and Ethics and any findings on noncompliance.	https://main.thepremier.com.ph/code-ethics

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

<p>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.</p>	<p>COMPLIANT</p>	<p>Provide information on or link/reference to the company's disclosure policies and procedures including reports distributed/made available to shareholders and other stockholders.</p>	<p>https://main.thepremier.com.ph/assets/uploads/2020/AS_2020.pdf</p>
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Recommendation 8.3

<p>1 . Board fully discloses all relevant and material information on individual board members to evaluate their experience and qualifications, and assess any potential conflicts of interest that might affect their judgment.</p>	<p>NON-COMPLIANT</p>	<p>Provide link or reference to the directors' academic qualifications, share ownership in the company, membership in other boards, other executive positions, professional experiences, expertise and relevant trainings attended.</p>	<p>NA-Policy still under formulation.</p>
<p>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.</p>	<p>NON-COMPLIANT</p>	<p>Provide link or reference to the key officers' academic qualifications, share ownership in the company, membership in other boards, other executive positions, professional experiences, expertise and relevant trainings attended.</p>	<p>NA-Policy still under formulation.</p>

Recommendation 8.4

<p>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.</p>	<p>COMPLIANT</p>	<p>Disclose or provide link/reference to the company policy and practice for setting board remuneration.</p>	<p>https://main.thepremier.com.ph/governance</p>
<p>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.</p>	<p>COMPLIANT</p>	<p>Disclose or provide link/reference to the company policy and practice for determining executive remuneration.</p>	<p>https://main.thepremier.com.ph/governance</p>
<p>3. Company discloses the remuneration on an individual basis, including termination and retirement provisions.</p>	<p>COMPLIANT</p>	<p>Provide breakdown of director remuneration and executive compensation, particularly the remuneration of the CEO.</p>	<p>https://main.thepremier.com.ph/assets/uploads/2020/AS_2020.pdf#page=8</p>

Recommendation 8.5

<p>1. Company discloses its policies governing Related Party Transactions (RPTs) and other unusual or infrequently occurring transactions.</p>	<p>NON-COMPLIANT</p>	<p>Disclose or provide reference/link to company's RPT policies Indicate if the director with conflict of interest abstained from the board discussion on that particular transaction.</p>	<p>NA-The Company is still planning to create policies governing Related Party Transactions (RPTs) for the year 2021</p>
<p>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.</p>	<p>COMPLIANT</p>	<p>Provide information on all RPTs for the previous year or reference to a document containing the following information on all RPTs: 1. Name of the related counterparty; 2. Relationship with the party; 3. Transaction date; 4. Type/nature of transaction; 5. Amount or contract price; 6. Terms of the transaction; 7. Rationale for entering into the transaction; 8. The required approval (i.e., names of the board of directors approving, names and percentage of shareholders who approved) based on the company's policy; and 9. Other terms and conditions.</p>	<p>https://main.thepremier.com.ph/assets/uploads/2020/AS_2020.pdf</p>
<p>Recommendation 8.7</p>			

1 . Company's corporate governance policies, programs and procedures are contained in its Manual on Corporate Governance (MCG).	COMPLIANT	Provide link to the company's website where the Manual on Corporate Governance is posted.	https://main.thepremier.com.ph/governance
2. Company's MCG is posted on its company website.	COMPLIANT		https://main.thepremier.com.ph/governance e

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

<p>1 . Audit Committee has a robust process for approving and recommending the appointment, reappointment, removal, and fees of the external auditors.</p>	<p>NON-COMPLIANT</p>	<p>Provide information or link/reference to a document containing information on the process for approving and recommending the appointment, reappointment, removal and fees of the company's external auditor.</p>	<p>NA-The company is still planning to formulate process for approving and recommending the appointment, reappointment, removal, and fees of the external auditors.</p>
<p>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.</p>	<p>COMPLIANT</p>	<p>Indicate the percentage of shareholders that ratified the appointment, reappointment, removal and fees of the external auditor.</p>	<p>https://main.thepremier.com.ph/assets/uploads/2021/By-Laws.pdf#page=6</p>
<p>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.</p>	<p>COMPLIANT</p>	<p>Provide information on or link/reference to a document containing the company's reason for removal or change of external auditor.</p>	<p>https://main.thepremier.com.ph/assets/uploads/2021/By-Laws.pdf#page=7</p>

Recommendation 9.2

<p>1 . Audit Committee Charter includes the Audit Committee's responsibility on:</p> <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. 	NON-COMPLIANT	Provide link/reference to the company's Audit Committee Charter.	NA-The Company is still planning to create Audit Committee Charter
<p>2. Audit Committee Charter contains the Committee's responsibility on reviewing and monitoring the external auditor's suitability and effectiveness on an annual basis.</p>	NON-COMPLIANT	Provide link/reference to the company's Audit Committee Charter.	NA-The Company is still planning to create Audit Committee Charter
<p>Recommendation 9.3</p>			
<p>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.</p>	COMPLIANT	Disclose the nature of non-audit services performed by the external auditor, if any.	https://main.thepremier.com.ph/assets/uploads/2020/AS_2020.pdf

<p>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.</p>	<p>COMPLIANT</p>	<p>Provide link or reference to guidelines or policies on non-audit services.</p>	<p>https://main.thepremier.com.ph/assets/uploads/2020/AS_2020.pdf</p>
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Recommendation 10.1

<p>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.</p>	<p>COMPLIANT</p>	<p>Disclose or provide link on the company's policies and practices on the disclosure of non-financial information, including EESG issues.</p>	<p>https://main.thepremier.com.ph/assets/uploads/2020/AS_2020.pdf</p>
<p>2. Company adopts a globally recognized standard/framework in reporting sustainability and non-financial issues.</p>	<p>COMPLIANT</p>	<p>Provide link to Sustainability Report, if any. Disclose the standards used.</p>	<p>https://main.thepremier.com.ph/governance</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	Disclose and identify the communication channels used by the company (i.e., website, Analyst's briefing, Media briefings /press conferences, Quarterly reporting, Current reporting, etc.). Provide links, if any.	https://main.thepremier.com.ph/
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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 control system and enterprise risk management framework.

Recommendation 12.1

1. Company has an adequate and effective internal control system in the conduct of its business.	NON-COMPLIANT	List quality service programs for the internal audit functions. Indicate frequency of review of the internal control system.	NA-The Company is still planning to create internal control system .
2. Company has an adequate and effective enterprise risk management framework in the conduct of its business.	NON-COMPLIANT	Enterprise Risk Management. Provide information or reference to a document containing information on: 1 .Company's risk management procedures and processes	NA-The Company is still planning to develop an dequate and effective enterprise risk management framework.

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	Identify the company's Chief Audit Executive (CAE) and provide information on or reference to a document containing his/her responsibilities.	NA-The Company has its Internal Auditor that we cannot disclose on the website.
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Recommendation 12.3

1. The company has a qualified Chief Audit Executive CAE appointed by the Board.	NON-COMPLIANT		NA-The Company is still planning on appointing a Chief Audit Executive for the year 2021.
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	Identify the company's Chief Audit Executive (CAE) and provide information on or reference to a document containing his/her responsibilities.	NA-The Company is still planning on appointing a Chief Audit Executive for the year 2021.

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	Identify qualified independent executive or senior management personnel, if applicable.	NA-The Company is still planning on appointing a Chief Audit Executive for the year 2021.
Recommendation 12.4			
1. The company has a separate risk management function to identify, assess and monitor key risk exposures.	NON-COMPLIANT	Provide information on company's risk management function.	NA-The Company is still planning on appointing a Chief Audit Executive for the year 2021.
Recommendation 12.5			
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	Identify the company's Chief Risk Officer (CRO) and provide information on or reference to a document containing his/her responsibilities and qualifications/background.	NA-The Board is still planning to elect Chief Risk Officer for the year 2021.
2. CRO has adequate authority, stature, resources and support to fulfill his/her responsibilities.	NON-COMPLIANT		NA-The Board is still planning to elect Chief Risk Officer for the year 2021.

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	Provide link or reference to the company's Manual on Corporate Governance where shareholders' rights are disclosed.	https://main.thepremier.com.ph/governance
2. Board ensures that basic shareholder rights are disclosed on the company's website.	COMPLIANT	Provide link to company's website	https://main.thepremier.com.ph/governance

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 21 days before the meeting.	COMPLIANT	Indicate the number of days before the annual stockholders' meeting or special stockholders' meeting when the notice and agenda were sent out Indicate whether shareholders' approval of remuneration or any changes therein were included in the agenda of the meeting. Provide link to the Agenda included in the company's Information Statement	https://www.main.thepremier.com.ph/assets/uploads/2021/asm2021notice.pdf#toolbar=0
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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	Provide information or reference to a document containing information on all relevant questions raised and answers during the ASM and special meeting and the results of the vote taken during the most recent ASM/SSM.	https://www.main.thepremier.com.ph/assets/uploads/2021/asm2021notice.pdf#toolbar=0
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<p>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.</p>	<p>COMPLIANT</p>	<p>Provide link to minutes of meeting in the company website. Indicate voting results for all agenda items, including the approving, dissenting and abstaining votes. Indicate also if the voting on resolutions was by poll. Include whether there was opportunity to ask question and the answers given, if any.</p>	<p>https://www.main.thepremier.com.ph/assets/uploads/2021/asm2021.pdf#toolbar=0</p>
<p>Recommendation 13.4</p>			
<p>1 . Board has an alternative dispute mechanism to resolve intra-corporate disputes in an amicable and effective manner</p>	<p>NON-COMPLIANT</p>	<p>Provide details of the alternative dispute resolution made available to resolve intra-corporate disputes.</p>	<p>NA- The Company is still planning to develop an alternative dispute mechanism to resolve intra-corporate disputes in an amicable and effective manner.</p>
<p>2. The alternative dispute mechanism is included in the company's Manual on Corporate Governance.</p>	<p>COMPLIANT</p>	<p>Provide link/reference to where it is found in the Manual on Corporate Governance.</p>	<p>https://main.thepremier.com.ph/governance</p>

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	Identify the company's shareholder and provide information or reference to a document containing information on the company's policies and programs for its stakeholders.	https://main.thepremier.com.ph/assets/uploads/2020/gis-2020.pdf
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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	Identify policies and programs for the protection and fair treatment of company's stakeholders.	https://main.thepremier.com.ph/governance
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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	Provide the contact details (i.e., name of contact person, dedicated phone number or e-mail address, etc.) which stakeholders can use to voice their concerns and/or complaints for possible violation of their rights.	https://main.thepremier.com.ph/code-ethics
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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

Recommendation 15.1

<p>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.</p>	<p>COMPLIANT</p>	<p>Provide information on or link/reference to company policies, programs and procedures that encourage employee participation.</p>	<p>https://main.thepremier.com.ph/about-us</p>
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Recommendation 15.2

<p>1 . Board sets the tone and makes a stand against corrupt practices by adopting an anticorruption policy and program in its Code of Conduct.</p>	<p>COMPLIANT</p>	<p>Identify or provide link/reference to the company's policies, programs and practices on anti-corruption.</p>	<p>https://main.thepremier.com.ph/code-ethics</p>
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<p>2. Board disseminates the policy and program to employees across the organization through trainings to embed them in the company's culture.</p>	<p>NON-COMPLIANT</p>	<p>Identify how the board disseminated the policy and program to employees across the organization.</p>	<p>NA-The Company is still planning to conduct trainings to embed its employees in the company's culture.</p>
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Recommendation 15.3

<p>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.</p>	<p>NON-COMPLIANT</p>		<p>NA-The Company is still planning to formulate framework for whistleblowing that allows employees to freely communicate their concerns about illegal or unethical practices, without fear of retaliation.</p>
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<p>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.</p>	<p>NON-COMPLIANT</p>	<p>Disclose or provide link/reference to the company whistle-blowing policy and procedure for employees. Indicate if the framework includes</p>	<p>NA-The Company is still planning to formulate 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.</p>
<p>3. Board supervises and ensures the enforcement of the whistleblowing framework.</p>	<p>NON-COMPLIANT</p>	<p>Provide information on how the board supervised and ensured enforcement of the whistleblowing framework, including any incident of whistleblowing.</p>	<p>https://main.thepremier.com.ph/whistle</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.

Recommendation 16.1

3. 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	Provide information or reference to a document containing information on the company's community involvement and environment-related programs.	https://main.thepremier.com.ph/news
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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.

JUL 3 0 2021

Signed in the City of Manila on the _____ of _____ 2021


SAMUEL U. LEE

CHAIRMAN/CEO

Signature over printed name


MAYBELLE L. LIM

PRESIDENT/COO

Signature over printed name


ATTY. FLORENCE B. CARANDANG

CORPORATE SECRETARY

Signature over printed name

JUL 3 0 2021

SUBSCRIBED AND SWORN to before me this ____ day of _____, 20__ by the following who are personally known to me (or whom I have identified through competent evidence of identity) and who exhibited to me their respective identification document as follows:

NAME	I.D. NO.	DATE/PLACE ISSUED
1. Samuel U. Lee	106-248-302	
2. Maybelle L. Lim	224-286-025	
3. Atty. Florence B. Carandang	205-077-832	



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