

**Philippines  
Empire Insurance Company**

**PLCName**  
**StockCode**  
**Expert Name**  
**Sector**  
**Year**  
**Date of Financial Year End**

**2013**  
**31/12/2013**

		Source Document/ Location of Information	Yes / No	Points	REMARKS
<b>E</b>	<b>Responsibilities of the Board</b>				
<b>E.1</b>	<b>Clearly defined board responsibilities and corporate governance policy</b>				
E.1.1	Are the roles and responsibilities of the board of directors/commissioners clearly stated ?	Corporate Governance	Y	1	
E.1.2	Are the types of decisions requiring board of directors/commissioners' approval disclosed ?	Regular Board Meeting & Annual Stockholders Meeting Minutes	Y	1	
E.1.3	Does the company disclose its corporate governance policy / board charter?	Corporate Governance	Y	1	
<b>E.2</b>	<b>Code of ethics or conduct</b>				
E.2.1	Does the company have a code of ethics or conduct?	Corporate Governance; Gen. Information, Office Behavior & Other Rules and Regulations.	Y	1	3 Guidelines
E.2.2	Are the details of the code of ethics or conduct disclosed?	Corporate Governance; Gen. Information, Office Behavior & Other Rules and Regulations.	Y	1	All employees required to read it
E.2.3	Does the company disclose that all directors/commissioners, senior management and employees are required to comply with the code?	Corporate Governance; Gen. Information, Office Behavior & Other Rules and Regulations.	Y	1	All employees yes. Directors are selected on their moral standing and qualifications. All have taken the Corporate Governance Seminar.
E.2.4	Does the company disclose how it implements and monitors compliance with the code of ethics or conduct?	Corporate Governance; Gen. Information, Office Behavior & Other Rules and Regulations.	Y	1	Management takes immediate action when the code of ethics is violated.

		Source Document/ Location of Information	Yes / No	Points	REMARKS
<b>E</b>	<b>Responsibilities of the Board</b>				
<b>E.3</b>	<b>Corporate Vision/Mission</b>				
E.3.1	Does the board of directors/commissioners periodically review and approve the vision and mission?		Y	1	
<b>E.4</b>	<b>Board Structure &amp; Composition</b>				
E.4.1	Does the board of directors/ commissioners comprise at least five members and no more than 12 members? (i.e., between 5 - 12 members)	Company has 9 Directors. By-Laws, List of Board of Directors	Y	1	
E.4.2	Do independent, non-executive directors/commissioners number at least three <u>and</u> make up more than 50% of the board of directors/commissioners?	Organizational Meeting Minutes.	Y	1	The Company 9 Directors of which 3 are Independent Directors, and 2 Non- Executive Directors.
E.4.3	Does the company provide a definition of independence in its Annual Report?	Corporate Governance	N	0	
E.4.4	Are the independent directors/commissioners independent of management and major/ substantial shareholders?	Corporate GovernancePage 3 No. 2	N	0	A Director shall own at least one share of the corporation whose share shall stand in his name in the books of the corporation.
E.4.5	Does the company have a term limit of nine years or less for its independent directors/commissioners?	Corporate Governance. By-Laws	N	0	For the year 2013, our 3 Independent Directors have served for 2, 4, & 7 years only. No tenural limit is given.
E.4.6	Has the company set a limit of five board seats in publicly-listed companies that an individual director/commissioner may hold simultaneously?		Y	1	
E.4.7	Does the company have any independent directors/commissioners who serve on more than five boards of publicly-listed companies?		N	1	
E.4.8	Does the company have any executive directors who serve on more than two boards of listed companies outside of the group?		N	1	

		Source Document/ Location of Information	Yes / No	Points	REMARKS
<b>E</b>	<b>Responsibilities of the Board</b>				
<b>E.5</b>	<b>Skills and Competencies</b>				
E.5.1	Does at least one non-executive director/commissioner have prior working experience in the major industry the company is operating in?		Y	1	
E.5.2	Does the company disclose a board of directors/commissioners diversity policy?	Corporate Governance	Y	1	The Directors possess necessary skills, with competence and experience in terms of management, in the field of insurance or insurance related disciplines. They are persons of Integrity and Credibility.
<b>E.6</b>	<b>Board Chairman</b>				
E.6.1	Do different persons assume the roles of chairman and CEO?	By- Laws. Annual Stockholders Meeting Minutes. Board Meeting Minutes	Y	1	
E.6.2	Is the chairman a non-executive director/commissioner?	Per By-Laws the chairman is named as an executive officer.	Y	1	In actual practice the chairman does not participate in the day to day management with the office nor hold office in the company.
E.6.3	Is the chairman an independent director/commissioner?		N	0	
E.6.4	Is the chairman the current or immediate past CEO?	Bio-Data of Directors, Annual Stockholders Meeting Minutes	N	1	The Company's President is also the CEO.
E.6.5	Are the role and responsibilities of the chairman disclosed?	By-Laws	Y	1	
<b>E.7</b>	<b>Board meetings and attendance</b>				
E.7.1	Are the board of directors/commissioners meetings scheduled before or at the beginning of the year?	By-Laws. Organizational Meetingg Minutes	Y	1	

		Source Document/ Location of Information	Yes / No	Points	REMARKS
<b>E</b>	<b>Responsibilities of the Board</b>				
E.7.2	Does the board of directors/commissioners meet at least six times per year?	By-Laws. Board of Directors meet 12 times a year.	Y	1	<u>complied more than required.</u>
E.7.3	Has each of the directors/commissioners attended at least 75% of all the board meetings held during the year?	Annual Certification Attendance of Directors	Y	1	2 directors with 100% attendance; 2 directors with 92% attendance; 2 with 83% and 3 within 67% to 75% attendance.
E.7.4	Does the company require a minimum quorum of at least 2/3 for board decisions?	Majority of the Directors. By-Laws Page 3 Article II. Section 2.	N	0	Majority of Directors equal to 5
E.7.5	Did the non-executive directors/commissioners of the company meet separately at least once during the year without any executives present?	Minutes of Meeting	Y	1	
<b>E.8</b>	<b>Orientation Programme for New Directors</b>				
E.8.1	Does the company have orientation programmes for new directors/commissioners?	Corporate Governance	Y	1	Company provides an adequate orientation process for new directors. Code of Corporate Governance Principles & Lead Practices; duties and Responsibilities of Directors are provided for new Director. Corporate Governance Seminar.
<b>E.9</b>	<b>Director Training</b>				
E.9.1	Does the company have a policy that encourages directors/commissioners to attend on-going or continuous professional education programmes?	Corporate Governance	Y	1	
<b>E.10</b>	<b>Access to information</b>				
E.10.1	Are board papers for board of directors/commissioners meetings provided to the board at least five business days in advance of the board meeting?		N	0	The enhancement and customization of the forms and reports from Production -All Lines to Accounting Department are on process.

		Source Document/ Location of Information	Yes / No	Points	REMARKS
<b>E</b>	<b>Responsibilities of the Board</b>				
E.10.2	Does the company secretary play a significant role in supporting the board in discharging its responsibilities?		Y	1	
E.10.3	Is the company secretary trained in legal, accountancy or company secretarial practices?		Y	1	Accountancy and company secretarial practices
<b>E.11</b>	<b>Nominating Committee</b>				
E.11.1	Does the company have a Nominating Committee (NC)?	Organizational Mtg Minutes	Y	1	3 Members of which 2 are Independent Directors
E.11.2	Does the Nominating Committee comprise of a majority of independent directors/commissioners?	Organizational Mtg Minutes	Y	1	3 Members of which 2 are Independent Directors.
E.11.3	Is the chairman of the Nominating Committee an independent director/commissioner?	Organizational Mtg Minutes	N	0	An Independent Director will be nominated next Organizational Meeting
E.11.4	Does the company disclose the terms of reference/ governance structure/charter of the Nominating Committee?		N	0	
E.11.5	Does the Annual Report disclose the number of Nominating Committee meetings held?		N	0	
E.11.6	Did the Nominating Committee meet at least twice during the year?		N	0	Nominating Committee met once in 2013
E.11.7	Is the attendance of members at Nominating Committee meetings disclosed?	Nominating Meeting Minutes	Y	1	
<b>E.12</b>	<b>Board Appointments and Re-Election</b>				
E.12.1	Does the company disclose the <u>criteria used in selecting</u> new directors/commissioners?	Corporate Governance	Y	1	
E.12.2	Does the company disclose the <u>process followed in appointing</u> new directors/commissioners?	By-Laws, Corporate Governance	Y	1	
E.12.3	Are all the directors/commissioners subject to re-election at least once every three years?		N	0	They are re-elected yearly

	Source Document/ Location of Information	Yes / No	Points	REMARKS
<b>E</b>	<b>Responsibilities of the Board</b>			
<b>E.13</b>	<b>CEO/Executive Management Appointments and Performance</b>			
E.13.1	Does the company disclose how the board of directors/commissioners plans for the succession of the CEO/Managing Director/President and key management?	N	0	Such matters are considered confidential and taken up only in Board meetings
E.13.2	Does the board of directors/commissioners conduct an annual performance assessment of the CEO/Managing Director/President?	Y	1	The appointment is done annually after a review of his performance.
<b>E.14</b>	<b>Board Appraisal</b>			
E.14.1	Is an annual performance assessment conducted of the board of directors/commissioners?	Y	1	By the Audit Committee
E.14.2	Does the company disclose the process followed in conducting the board assessment?	Y	1	
E.14.3	Does the company disclose the criteria used in the board assessment?	Y	1	Taken up in the Board Meeting by the Chairman of Audit Committee.
<b>E.15</b>	<b>Director Appraisal</b>			
E.15.1	Is an annual performance assessment conducted of individual director/commissioner?	N	0	
E.15.2	Does the company disclose the process followed in conducting the director/commissioner assessment?	Y	1	Board of Directors Self Assessment Questionnaire
E.15.3	Does the company disclose the criteria used in the director/commissioner assessment?	Y	1	Board of Directors Self Assessment Questionnaire
<b>E.16</b>	<b>Committee Appraisal</b>			
E.16.1	Is an annual performance assessment conducted of the board of directors/commissioners committees?	Y	1	

		Source Document/ Location of Information	Yes / No	Points	REMARKS
<b>E</b>	<b>Responsibilities of the Board</b>				
<b>E.17</b>	<b>Remuneration Committee/ Compensation Committee</b>				
E.17.1	Does the company have a Remuneration Committee?	Organizational Meeting Minutes. Corporate Governance	Y	1	3 Members of which 2 are Independent Directors.
E.17.2	Does the Remuneration Committee comprise of a majority of independent directors/commissioners?	Organizational Meeting Minutes. Corporate Governance	Y	1	3 Members of which 2 are Independent Directors.
E.17.3	Is the chairman of the Remuneration Committee an independent director/commissioner?	Organizational Meeting Minutes	Y	1	
E.17.4	Does the company disclose the terms of reference/ governance structure/ charter of the Remuneration Committee?	Corporate Governance	Y	1	
E.17.5	Does the Annual Report disclose the number of Remuneration Committee meetings held?		N	0	
E.17.6	Did the Remuneration Committee meet at least twice during the year?		N	0	
E.17.7	Is the attendance of members at Remuneration Committee meetings disclosed?		N	0	
<b>E.18</b>	<b>Remuneration Matters</b>				
E.18.1	Does the company disclose its remuneration (fees, allowances, benefit-in-kind and other emoluments) policy (i.e. the use of short term and long term incentives and performance measures) for its executive directors and CEO?	Audited Financial Statement Page 37 No.21	Y	1	not itemized for confidentiality
E.18.2	Is there disclosure of the fee structure for non-executive directors/commissioners?	Audited Financial Statement Page 37 No.21	Y	1	

		Source Document/ Location of Information	Yes / No	Points	REMARKS
<b>E</b>	<b>Responsibilities of the Board</b>				
E.18.3	Do the shareholders or the Board of Directors approve the remuneration of the executive directors and/or the senior executives?	Board Meeting Minutes	Y	1	
E.18.4	Do independent non-executive directors/commissioners receive options, performance shares or bonuses?	Profit Sharing as provided, By- Laws	Y	0	
<b>E.19</b>	<b>Audit Committee</b>				
E.19.1	Does the company have an Audit Committee?	Organizational Meeting Minutes	Y	1	4 Members out of which one is an Independent Director formerly a CFO of 2 Public Companies; 1 CPA Director.
E.19.2	Does the Audit Committee comprise entirely of non-executive directors/commissioners with a majority of independent directors/commissioners?	Organizational Meeting Minutes	Y	1	4 Members out of which one is an Independent Director formerly a CFO of 2 Public Companies; 1 CPA Director.
E.19.3	Is the chairman of the Audit Committee an independent director/commissioner?	Organizational Meeting Minutes	Y	1	An Independent Director formerly a CFO of 2 Public Companies
E.19.4	Does the company disclose the terms of reference/governance structure/charter of the Audit Committee?	Corporate Governance	Y	1	
E.19.5	Does the Annual Report disclose the profile or qualifications of the Audit Committee members?		N	0	
E.19.6	Does at least one of the independent directors/commissioners of the committee have accounting expertise (accounting qualification or experience)?	Organizational Meeting Minutes. Chairman, Independent director a former CFO of 2 Public Companies and one CPA Director	Y	1	One is an Independent Director formerly a CFO of 2 Public Companies; 1 CPA Director.
E.19.7	Does the Annual Report disclose the number of Audit Committee meetings held?		N	0	
E.19.8	Did the Audit Committee meet at least four times during the year?		Y	1	



		Source Document/ Location of Information	Yes / No	Points	REMARKS
<b>E</b>	<b>Responsibilities of the Board</b>				
E.19.9	Is the attendance of members at Audit Committee meetings disclosed?		Y	1	
E.19.10	Does the Audit Committee have primary responsibility for recommendation on the appointment, re-appointment and removal of the external auditor?	Corporate Governance	Y	1	
<b>E.20</b>	<b>Internal Audit</b>				
E.20.1	Does the company have a separate internal audit function?		N	0	The Internal Auditor just left and we are exhausting replacement.
E.20.2	Is the head of internal audit identified or, if outsourced, is the name of the external firm disclosed?		N	0	The Internal Auditor just left and we are exhausting replacement.
E.20.3	<u>Does the appointment and removal of the internal auditor require the approval of the Audit Committee?</u>		Y	1	
<b>E.21</b>	<b>Risk Oversight</b>				
E.21.1	Does the company disclose the internal control procedures/risk management systems it has in place?	Audited Financial Statement Corporate Governance	Y	1	
E.21.2	Does the Annual Report disclose that the board of directors/commissioners has conducted a review of the company's material controls (including operational, financial and compliance controls) and risk management systems?	Audited Financial Statement Corporate Governance	Y	1	
E.21.3	Does the company disclose how key risks are managed?	Audited Financial Statement.	Y	1	
			79	58	