

ANNUAL CORPORATE GOVERNANCE REPORT OF

PANA HARRISON REINSURANCE BROKERS (PHILS.), INC.
(Name of Company)

1. For the fiscal year ended 2023
2. Certificate Authority Number RB-08-2022-R
3. Makati City, Metro Manila, Philippines
Province, Country, or other jurisdiction of incorporation or organization

Rm. 304 Cattleya Condominium Bldg., 235 Salcedo St.,
4. Legaspi Village, Makati City 1229
Address of principal office Postal Code
5. (632) 88130004, 88130028, 88102771
Company's telephone number, including area code
6. www.panaharrisonph.com
Company's official website
7.:
Former name, former address, and former fiscal year, if changed since last report

INTEGRATED ANNUAL CORPORATE GOVERNANCE REPORT

	COMPLIANT/ NON- COMPLIANT	ADDITIONAL INFORMATION	EXPLANATION
The Board's Governance Responsibilities			
Principle 1: The company should be headed by a competent, working board to foster the long-term success 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	Provide information or link/reference to a document containing information on the following: 1. Academic qualifications, industry knowledge, professional experience, expertise, and relevant training of directors 2. Qualification standards for directors to facilitate the selection of potential nominees and to serve as benchmark for the evaluation of its performance	Please refer to the Resumes of the directors of the Company
2. Board has an appropriate mix of competence and expertise.	Compliant		Please refer to the Resumes of the directors of the Company.
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		The Company's directors have a collective working knowledge, experience, and expertise relevant to the non-life insurance business and reinsurance broking. Also, the Board represents an appropriate mix of competence and expertise in business, finance, operations, regulatory and legal disciplines relevant to the Company's industry, with each director capable of adding value and exercising independent judgment, ensuring that the directors remain qualified for their positions individually and collectively to enable them to fulfill their roles and responsibilities within the company.

			The required qualifications of a director are also provided in the Company's By-Laws.
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 the type of their directorships	The Board consists of seven (7) directors two (2) of whom are independent directors, to wit: Amador P. Alvendia - executive Domingo N. Cotoco - executive Ronnie Lum - non-executive Felix Lum - non-executive Ng Gek Yong - non-executive Luis R. Munsayac - non-executive Jovito Rodriguez - non-executive Please refer to the General Information Sheet for validation.
Recommendation 1.3			
1. Company provides in its Board Charter and Manual on Corporate Governance a policy on training of directors.	Compliant	Provide link or reference to the company's Board Charter and Manual on Corporate Governance relating to its policy on training of directors.	The company has a policy requiring its directors to undergo training on corporate governance.
2. Company provides in its Board Charter or Manual on Corporate Governance an orientation program for first time directors.	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.	
3. Company has relevant annual continuing training for all directors.	Compliant		The company requires its directors to undergo training on corporate governance, as well as continuing

			annual training to improve competence and knowledge. Please see the attached copies of the director's Certificate of Participation.
Recommendation 1.4			
1. Board has a policy on board diversity.	Compliant	<i>Provide information on or link/reference to a document containing information on the company's board diversity policy.</i> <i>Indicate gender composition of the board.</i>	The Board has one female director, in adherence to the norm or rule on board diversity. Please refer to the General Information Sheet for particulars.
Recommendation 1.5			
1. Board is assisted in its duties by a Corporate Secretary.	Compliant	Provide information on or link/reference to a document containing information on the Corporate Secretary, including his/her name, qualifications, duties and functions.	Yes, the Board has a Corporate Secretary in the person of Ms. Romana G. Velasco. Please refer to her Resume regarding her qualification and functions.
2. Corporate Secretary is a separate individual from the Compliance Officer.	Compliant		The Corporate Secretary is not the Compliance Officer.
3. Corporate Secretary is not a member of the Board of Directors.	Compliant		She is not a member of the Board.
4. Corporate Secretary attends training/s on corporate governance.	Compliant	Provide information or link/reference to a document containing information on the corporate	The Corporate Secretary, Mrs. Romana G. Velasco, has undergone

		governance training attended, including number of hours and topics covered	and attended the required corporate governance training with the ICD. Copies of the Certificate of Participation are attached.
Recommendation 1.6			
1. Board is assisted by a Compliance Officer.	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.	Yes, the Board is assisted by a Compliance Officer in the person of Purificacion L. Montenegro, who is the Manager of the Company handling the day-to-day business operations of the Company.
2. Compliance Officer has a rank of Senior Vice President or an equivalent position with adequate stature and authority in the corporation.	Compliant		Please refer to the above answer.
3. Compliance Officer is not a member of the board.	Compliant		The Compliance Officer is not a member of the board.
4. Compliance Officer attends training/s on corporate governance.	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.	The Compliance Officer, Ms. Purificacion L. Montenegro has undergone and attended the required corporate governance training with the ICD. Copies of the Certificate of Participation are attached.

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

<p>1. Directors act on a fully informed basis, in good faith, with due diligence and care, and in the best interest of the company.</p>	<p>Compliant</p>	<p>Provide information or reference to a document containing information on how the directors performed their duties (can include board resolutions, minutes of meeting)</p>	<p>The Board evaluates, deliberates on, and resolves substantive issues or subjects such as the annual budget, investments, and other significant programs and undertakings, with the best interest of the company foremost in its mind, after obtaining all relevant data required to arrive at a well-informed decision. Please refer to the attached minutes of the meetings of the Board for validation.</p>
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Recommendation 2.2

<p>1. Board oversees the development, review and approval of the company's business objectives and strategy.</p>	<p>Compliant</p>	<p>Provide information or link/reference to a document containing information on how the directors performed this function (can include board resolutions, minutes of meeting)</p>	<p>The Board reviews and approves business strategy and goals on a quarterly basis, as the meetings of the Board are held quarterly. Please see the attached minutes of the meetings of the Board.</p>
<p>2. Board oversees and monitors the implementation of the company's business objectives and strategy.</p>	<p>Compliant</p>	<p>Indicate frequency of review of business objectives and strategy</p>	<p>The implementation of the business objectives and strategy of the Company is monitored regularly at every quarterly meeting of the Board, where the Company's performance is assessed.</p>

Recommendation 2.3

1. Board is headed by a competent and qualified Chairperson.	Compliant	Provide information or reference to a document containing information on the Chairperson, including his/her name and qualifications	The Board is headed by Mr. Amador P. Alvendia, as Chairman, who makes sure that the interest of the Company and its stockholders are protected every step of the way in the decision-making process. His qualifications are set forth in his Resume.
Recommendation 2.4			
1. Board ensures and adopts an effective succession planning program for directors, key officers and management.	Compliant	Disclose and provide the information or link/reference to a document containing information on the company's succession planning policies and programs and its implementation.	The Board strictly adheres to the provisions of the By-Laws and the Revised Corporation Code on the succession, election, and removal of directors, since the Board is composed of only seven (7) members, the changes in which are rare and far between.
2. Board adopts a policy on the retirement for directors and key officers.	Compliant		Given that the Company is but a small reinsurance broker, protected to generate a rather modest profit for its stockholders, the Board merely adheres to the provisions of the Retirement Pay Law for its retiring members and key officers.
Recommendation 2.5			
1. Board aligns the remuneration of key officers and board members with long-term interests of the company.	Compliant	<i>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.</i>	The Board sets the standards or criteria for the remuneration of the Company's officers vis-à-vis its long-term interests. Kindly refer to the minutes of the meetings of the Board.

2. Board adopts a policy specifying the relationship between remuneration and performance.	Compliant		The Board rewards good performance with pay incentives and benefits. Kindly refer to the minutes of the meetings of the Board.
3. Directors do not participate in discussions or deliberations involving his/her own remuneration.	Compliant		The Directors do not participate in discussion or deliberation concerning the remuneration of its members. Kindly refer to the minutes of the meetings of the Board.
Recommendation 2.6			
1. Board has a formal and transparent board nomination and election policy.	Compliant	<i>Provide information or reference to a document containing information on the company's nomination and election policy and process and its implementation, including the criteria used in selecting new directors, how the shortlisted candidates and how it encourages nominations from shareholders.</i>	The Board merely adheres to the provisions of the Company's By-Laws and the Revised Corporation Code governing the nomination and election of new directors. Kindly refer to the By-Laws of the Company
2. Board nomination and election policy is disclosed in the company's Manual on Corporate Governance.	Compliant	<i>Provide proof if minority shareholders have a right to nominate candidates to the board</i>	The Board nomination and selection are consistent with the provision of the Company's By-Laws and the applicable laws on the matter.
3. Board nomination and election policy includes how the company accepted nominations from minority shareholders.	Compliant	<i>Provide information if there was an assessment of the effectiveness of the Board's processes in the nomination, election or replacement of a director.</i>	The Company merely follows the nomination and selection process contained in its By-Laws and applicable legislation on the matter, in line with this, three (3) members of the 7-member Board are minority stockholders.

4. Board nomination and election policy includes how the board shortlists candidates.	Compliant		The Company merely follows the nomination and selection process contained in its By-Laws and the applicable legislation on the matter.
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		The Company merely follows the nomination and selection process contained in its By-Laws and applicable legislation on the matter, in line with this, three (3) members of the 7-member Board are minority stockholders.
6. Board has a process for identifying the quality of directors that is aligned with the strategic direction of the company.	Compliant		

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	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	The company's BOD has the overall responsibility to ensure that there is a group-wide policy and system governing related party transactions and other unusual or infrequently occurring transactions.
2. RPT policy includes appropriate review and approval of material RPTs, which guarantee fairness and transparency of the transactions.	Compliant	Identify transactions that were approved pursuant to the policy.	It is a policy of the Company that all RPTs are done on fair and transparent transactions.
3. RPT policy encompasses all entities within the group, taking into account their size, structure, risk profile and complexity of operations.	Compliant		

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.</p> <p>Identify the Management team appointed</p>	<p>The selection of the Management Team is vested in the Board.</p> <p>Considering the limited number of officers, the Management Team of the Company organized by the Board is comprised of the President, Treasurer, Manager, and Accountant.</p>
<p>2. Board is primarily responsible for assessing the performance of Management led by the Chief Executive Officer (CEO) and the heads of the other control functions (Chief Risk Officer, Chief Compliance Officer and Chief Audit Executive).</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.</p> <p>Provide information on the assessment process and indicate frequency of assessment of performance.</p>	<p>The Board conducts yearly an assessment of the performance of the President as CEO and other officers of the Company. Kindly refer to the minutes of the meetings of the Board.</p>
<p>Recommendation 2.9</p>			
<p>1. Board establishes an effective performance management framework that ensures that Management's performance is at par with the standards set by the Board and Senior Management.</p>	<p>Compliant</p>	<p>Provide information on or link/reference to a document containing the Board's performance management framework for management and personnel.</p>	<p>The Board conducts a yearly evaluation of the Management's accomplishments in relation to the standards or benchmarks set by the Board at the start of the year. Kindly refer to the minutes of the meetings of the Board.</p>
<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.</p>	<p>Compliant</p>		<p>Kindly refer to the minutes of the meetings of the Board.</p>

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	The Company is relatively small, with a simple and uncomplicated internal control system set by the Board, capable of detecting potential conflicts of interest. Kindly refer to the minutes of the meetings of the Board.
2. The internal control system includes a mechanism for monitoring and managing potential conflict of interest of the Management, members and shareholders.	Compliant		Please refer to the immediately preceding discussion/comments.
3. Board approves the Internal Audit Charter.	Non-Compliant	Provide reference or link to the company's Internal Audit Charter The BOD approves the Audit Committee policy.	
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	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.	A risk management framework had already been set by the Board to pinpoint and manage key business risks. Kindly refer to the minutes of the meetings of the Board.
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	Provide proof of effectiveness of risk management strategies, if any	Kindly refer to the minutes of the meetings of the Board.

Recommendation 2.12			
1. Board has a Board Charter that formalizes and clearly states its roles, responsibilities and accountabilities in carrying out its fiduciary role.	Non-Compliant	Provide link to the company's website where the Board Charter is disclosed.	The Company has no Board Charter yet.
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.	Non-Compliant	Provide information or link/reference to a document containing information on all the board committees established by the company.	The Company is a relatively small reinsurance broker with only five members comprising the Board, a Manager, an Accountant, and two clerical employees in its roster. The limited membership in the Board renders the establishment of board committees impracticable.
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	Non-Compliant	Provide information or link/reference to a document containing information on the Audit Committee, including its functions.	Under existing rules, the Board cannot organize an Audit Committee since the requirement that all members of the Committee should have a

audit processes, and compliance with applicable laws and regulations.		Indicate if it is the Audit Committee's responsibility to recommend the appointment and removal of the company's external auditor.	background or experience in the areas of accounting auditing and finance cannot be satisfied.
2. Audit Committee is composed of at least three appropriately qualified non-executive directors, the majority of whom, including the Chairman is independent.	Non-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.	Please see the above discussion/comments.
3. All the members of the committee have relevant background, knowledge, skills, and/or experience in the areas of accounting, auditing and finance.	Non-compliant	Provide information or link/reference to a document containing information on the background, knowledge, skills, and/or experience of the members of the Audit Committee.	Please see the above discussion/comments.
4. The Chairman of the Audit Committee is not the Chairman of the Board or of any other committee.	Non-Compliant	Provide information or link/reference to a document containing information on the Chairman of the Audit Committee	Please see the above discussion/comments.
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.	
2. Corporate Governance Committee is composed of at least three members, all of whom should be independent directors.	Non-compliant	Provide information or link/reference to a document containing information on the members of the Corporate Governance Committee, including their qualifications and type of directorship.	

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.	
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	
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	
3. The Chairman of the BROC 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 BROC	
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, and/or experience of the members of the BROC.	
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	Provide information or link/reference to a document containing information on the Related Party Transactions (RPT) Committee, including its functions.	

2. RPT Committee is composed of at least three non-executive directors, two of whom should be independent, including the Chairman.	Non-compliant	Provide information or link/reference to a document containing information on the members of the RPT Committee, including their qualifications and type of directorship.	
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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.	Non-Compliant	Provide information on or link/reference to the company's committee charters, containing all the required information, particularly the functions of the Committee that is necessary for performance evaluation purposes.	
2. Committee Charters provide standards for evaluating the performance of the Committees.	Non-compliant		
3. Committee Charters were fully disclosed on the company's website.	Non-Compliant	Provide link to company's website where the Committee Charters are disclosed.	

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	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	Kindly refer to the minutes of the meeting of the Board.
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		participation of directors to Board, Committee and shareholders' meetings.	
2. The directors review meeting materials for all Board and Committee meetings.	Compliant		Along with the Notice of Meeting sent to the directors, the agenda and the minutes of the previous meeting are likewise sent beforehand for their reference.
3. The directors ask the necessary questions or seek clarifications and explanations during the Board and Committee meetings.	Compliant	Provide information or link/reference to a document containing information on any questions raised or clarification/explanation sought by the directors	Kindly refer to the minutes of the meetings of the Board.
Recommendation 4.2			
1. Non-executive directors concurrently serve in a maximum of five 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.	Non-Compliant	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	There is none.
Recommendation 4.3			
1. The directors notify the company's board 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.	
Principle 5: The board should endeavor to exercise an objective and independent judgment on all corporate affairs			
Recommendation 5.1			

1. The Board has at least 3 independent directors or such number as to constitute one-third of the board, whichever is higher.	Compliant	Provide information or link/reference to a document containing information on the number of independent directors in the board	Kindly refer to the affidavit of the Corporate Secretary and the General Information Sheet enumerating the directors of the Company.
Recommendation 5.2			
1. The independent directors possess all the qualifications and none of the disqualifications to hold the positions.	Compliant	Provide information or link/reference to a document containing information on the qualifications of the independent directors. The independent directors are known in the non-life insurance industry.	Kindly refer to the resume of the members of the Company's Board of Directors.
Supplement to Recommendation 5.2			
1. Company has no shareholder agreements, by-laws provisions, or other arrangements that constrain the directors' ability to vote independently.	Compliant	Provide link/reference to a document containing information that directors are not constrained to vote independently.	Kindly refer to the By-Laws of the Company.
Recommendation 5.3			
1. The independent directors serve for a cumulative term of nine years (reckoned from 2012).	Compliant	Provide information or link/reference to a document showing the years IDs have served as such.	Kindly refer to the By-Laws of the Company.
2. The company bars an independent director from serving in such capacity after the term limit of nine years.	Compliant	Provide information or link/reference to a document containing information on the company's policy on term limits for its independent director	Kindly refer to the By-Laws of the Company.
3. In the instance that the company retains an independent director in the same capacity after nine years, the board provides meritorious justification and	Compliant	Provide reference to the meritorious justification and proof of shareholders' approval during the annual shareholders' meeting.	Please refer to the minutes of the meetings of the stockholders.

seeks shareholders' approval during the annual shareholders' meeting.			
Recommendation 5.4			
1. The positions of Chairman of the Board and Chief Executive Officer are held by separate individuals.	Compliant	Identify the company's Chairman of the Board and Chief Executive Officer	The Chairman of the Board is Mr. Amador P. Alvendia and the President is Mr. Domingo N. Cotoco
2. The Chairman of the Board and Chief Executive Officer have clearly defined responsibilities.	Compliant	Provide information or link/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.	Kindly refer to the By-Laws of the Company and the minutes of the meetings of the Board and the stockholders.
Recommendation 5.5			
1. If the Chairman of the Board is not an independent director, the board designates a lead director among the independent directors.	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.	Kindly refer to the minutes of the meeting of the Board. The Chairman is not an 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	Provide proof of abstention, if this was the case	There has never been such a situation or condition so far.
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 present.	Non-compliant	Provide proof and details of said meeting, if any. Provide information on the frequency and attendees of meetings.	The independent directors do not meet with the external auditors.
2. The meetings are chaired by the lead independent director.	Non-compliant		
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.	Non-compliant	Provide proof of self-assessments conducted for the whole board, the individual members, the Chairman and the Committees	There has never been an annual self-assessment conducted by the members of the Board.
2. The Chairman conducts a self-assessment of his performance.	Non-compliant		
3. The individual members conduct a self-assessment of their performance.	Non-compliant		
4. Each committee conducts a self-assessment of its performance.	Non-compliant		
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.	

Recommendation 6.2			
1. Board has in place a system that provides, at the minimum, criteria and process to determine the performance of the Board, individual directors and committees.	Non-compliant	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	
2. The system allows for a feedback mechanism from the shareholders.	Non-compliant		
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.	Non-Compliant	Provide information on or link/reference to the company's Code of Business Conduct and Ethics	The Board has not adopted a Code of Business Conduct and Ethics. The members rely on the uprightness and moral compass of each member in internal and external dealings of the Company.
2. The Code is properly disseminated to the Board, senior management and employees.	Non-Compliant	Provide information on or discuss how the company disseminated the Code to its Board, senior management and employees.	Please see the discussion/ comments above.
3. The Code is disclosed and made available to the public through the company website.	Non-Compliant	Provide a link to the company's website where the Code of Business Conduct and Ethics is posted/ disclosed.	Please see the discussion/ comments above.
Recommendation 7.2			
1. Board ensures the proper and efficient implementation and monitoring of compliance with the Code of Business Conduct and Ethics.	Non-Compliant	Provide proof of implementation and monitoring of compliance with the Code of Business Conduct and Ethics and internal policies.	Please see the discussion/ comments above.

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 non-compliance.	Please see the discussion/ comments above.
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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	Provide information on or link/reference to the company's disclosure policies and procedures including reports distributed/made available to shareholders and other stockholders.	The members of the Board are practically the same as the stockholders of the Company. Thus, every meeting of the Board substantially constitutes a meeting of the stockholders, ensuring transparency and obviating the need for corporate disclosure policies and procedures.
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Recommendation 8.2

1. Company has a policy requiring all directors to disclose/report to the company any dealings in the company's shares within three business days.	Non-compliant	Provide information on or link/reference to the company's policy requiring directors and officers to disclose their dealings in the company's share.	This is not applicable to the Company whose shares are not publicly traded.
2. Company has a policy requiring all officers to disclose/report to the company any dealings in the company's shares within three business days.	Non-compliant	Indicate actual dealings of directors involving the corporation's shares including their nature, number/percentage and date of transaction.	Please see the discussion/ comments above.

Recommendation 8.3

1. Board fully discloses all relevant and material information on individual board members to evaluate their	Compliant	Provide link or reference to the directors' academic qualifications, share ownership in the company, membership in other boards, other executive	Kindly refer to the Resumes of each of the members of the Board containing their qualifications and experience.
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experience and qualifications, and assess any potential conflicts of interest that might affect their judgment.		positions, professional experiences, expertise and relevant trainings attended.	
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	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.	Kindly refer to the Resumes of the key officers of the Company, namely, the President, Treasurer, Manager, and Accountant containing their qualifications and experience. All material information about a key executive is disclosed to assess any potential conflicts that may arise.
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.	Compliant	Disclose or provide link/reference to the company policy and practice for setting board remuneration	The members of the board are paid every quarterly Board meeting a per diem of P10,000.00 and nothing more. Kindly refer to the minutes of the meetings of the Board.
2. Company provides a clear disclosure of its policies and procedure for setting executive remuneration, including the level and mix of the same.	Compliant	Disclose or provide link/reference to the company policy and practice for determining executive remuneration	Kindly refer to the minutes of the meetings of the Board.
3. Company discloses the remuneration on an individual basis, including termination and retirement provisions.	Non-compliant	Provide breakdown of director remuneration and executive compensation, particularly the remuneration of the CEO.	The members of the Board, who are the stockholders themselves fix the remuneration of its officers. The compensation package is not disclosed.
Recommendation 8.5			
1. Company discloses its policies governing Related Party Transactions (RPTs) and other unusual or infrequently	Non-Compliant	Disclose or provide reference/link to company's RPT policies	

occurring transactions in their Manual on Corporate Governance.		Indicate if the director with conflict of interest abstained from the board discussion on that particular transaction.	
2. Company discloses material or significant RPTs reviewed and approved during the year.	Non-Compliant	Provide information on all RPTs for the previous year or reference to a document containing the following information on all RPTs: <ol style="list-style-type: none"> 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 	
Recommendation 8.6			
1. Company makes a full, fair, accurate and timely disclosure to the public of every material fact or event that occur, particularly on the acquisition or disposal of significant assets, which could adversely affect the viability or the interest of its shareholders and other stakeholders.	Non-compliant	Provide link or reference where this is disclosed	The Company has not had any acquisition or disposal of significant assets which would adversely affect the viability or interest of its shareholders.
2. Board appoints an independent party to evaluate the fairness of the transaction price on the acquisition or disposal of assets.	Non-Compliant	Identify independent party appointed to evaluate the fairness of the transaction price Disclose the rules and procedures for evaluating the fairness of the transaction price, if any.	This has no application because the Company has not had any acquisition or disposal of significant assets which would adversely affect the viability of interest of its shareholdings

Supplement to Recommendation 8.6			
1. Company discloses the existence, justification and details on shareholder agreements, voting trust agreements, confidentiality agreements, and such other agreements that may impact on the control, ownership, and strategic direction of the company.	Non-Compliant	Provide link or reference where these are disclosed.	The Company has not had any shareholder or other agreements that may impact the control, ownership, and strategic direction of the Company.
Recommendation 8.7			
1. Company's corporate governance policies, programs and procedures are contained in its Manual on Corporate Governance (MCG).	Non-Compliant	Provide link to the company's website where the Manual on Corporate Governance is posted.	
2. Company's MCG is submitted to the SEC and PSE.	Non-compliant		
3. Company's MCG is posted on its company website.	Non-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	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.	Kindly refer to the minutes of the meetings of the Board of Directors where the appointment of an external auditor is discussed and approved.
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.	Non-Compliant	Indicate the percentage of shareholders that ratified the appointment, reappointment, removal and fees of the external auditor.	The appointment or removal of an external auditor is deliberated on and approved only by the Board without any recommendation from an Audit

			Committee, which the Company cannot organize considering the prescribed qualifications of the members thereof which the Company cannot satisfy, as discussed elsewhere in this Report.
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	Provide information on or link/reference to a document containing the company's reason for removal or change of external auditor.	Six years ago, the Company replaced its external auditor for the latter's failure to comply with the requirement mandating attendance at an annual training or seminar for auditors.
Recommendation 9.2			
1. Audit Committee Charter includes the Audit Committee's responsibility on: <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	The Company has no Audit Committee Charter, considering that the Company cannot organize an Audit Committee given the prescribed qualifications of the members thereof which the Company cannot satisfy as discussed elsewhere in this Report.
2. Audit Committee Charter contains the Committee's responsibility on reviewing and monitoring the external auditor's suitability and effectiveness on an annual basis.	Non-Compliant	Provide link/reference to the company's Audit Committee Charter	Please see the discussion/ comments above.

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.	Non-Compliant	Disclose the nature of non-audit services performed by the external auditor, if any.	The Company's external auditor does not perform non-audit services.
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.	Non-Compliant	The 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.	As explained elsewhere in this Report, the Company cannot create an Audit Committee.
Principle 10: The company should ensure that the material and reportable non-financial and sustainability issues are disclosed.			
Recommendation 10.1			
1. Board has a clear and focused policy on the disclosure of non-financial information, with emphasis on the management of economic, environmental, social and governance (EESG) issues of its business, which underpin sustainability.	Non-Compliant	Disclose or provide link on the company's policies and practices on the disclosure of non-financial information, including EESG issues.	The Company does not foresee the need for a policy on the disclosure of non-financial information, given its limited operation and relatively small size of the Company.
2. Company adopts a globally recognized standard/framework in reporting sustainability and non-financial issues.	Non-Compliant	Provide link to Sustainability Report, if any. Disclose the standards used.	Please see the comments above.
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. Company has media and analysts' briefings as channels of communication to ensure the timely and accurate dissemination of public, material and relevant information to its shareholders and other investors.	Non-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.	The company is not publicly listed thus we do not see the need.
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Internal Control System and Risk Management Framework

Principle 12: To ensure the integrity, transparency and proper governance in the conduct of its affairs, the company should have a strong and effective internal control system and enterprise risk management framework.

Recommendation 12.1

1. Company has an adequate and effective internal control system in the conduct of its business.	Compliant	List quality service programs for the internal audit functions. Indicate frequency of review of the internal control system	The Company's internal control system is reviewed annually.
2. Company has an adequate and effective enterprise risk management framework in the conduct of its business.	Compliant	Identify international framework used for Enterprise Risk Management Provide information or reference to a document containing information on: 1. Company's risk management procedures and processes- a. all transactions which are under the threshold amount are already subjected to risk evaluation. After which, prior BOD approval is needed to proceed with the execution of the contract.	This has no application to the Company which is not an insurance company but a reinsurance broker.

		<p>2. Key risks the company is currently facing- fire and other insurance involving a large amount of premium</p> <p>3. How the company manages the key risks- in cases of insurance which involves a large coverage, the same is reinsured to manage the exposure and risk.</p> <p>Indicate frequency of review of the enterprise risk management framework.</p>	
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	Disclose if the internal audit is in-house or outsourced. If outsourced, identify external firm.	The internal audit is in-house.
Recommendation 12.3			
1. Company has a qualified Chief Audit Executive (CAE) appointed by the Board.	Non- compliant	Identify the company's Chief Audit Executive (CAE) and provide information on or reference to a document containing his/her responsibilities.	The Company has an internal Auditor only.
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		Please see the comments above.
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.	The Company does not outsource its internal audit.

Recommendation 12.4			
1. 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.	The Company is not an insurance company, but merely a reinsurance broker, and does not see a need for risk management.
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).	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.	The Company is not an insurance company, but merely a reinsurance broker, and does not see a need for risk management.
2. CRO has adequate authority, stature, resources and support to fulfill his/her responsibilities.	Compliant		Please see the comments above.
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.	Non-Compliant	Provide link or reference to the company's Manual on Corporate Governance where shareholders' rights are disclosed.	
2. Board ensures that basic shareholder rights are disclosed on the company's website.	Non-Compliant	Provide link to company's website	
Recommendation 13.2			
1. Board encourages active shareholder participation by sending the Notice of Annual and Special Shareholders'	Compliant	Indicate the number of days before the annual stockholders' meeting or special stockholders'	The notice of the annual or special stockholders meeting and the agenda is sent thirty (30) days before

Meeting with sufficient and relevant information at least 28 days before the meeting.		<p>meeting when the notice and agenda were sent out</p> <p>Indicate whether shareholders' approval of remuneration or any changes therein were included in the agenda of the meeting.</p> <p>Provide link to the Agenda included in the company's Information Statement (SEC Form 20-1S)</p>	<p>the meeting to encourage shareholders' participation. Note, however, that the members of the Board are practically the owners of the Company.</p> <p>The remuneration of the members of the Board was included in the agenda.</p>
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.	Given that the stockholders are few, the results of the meeting are made known during the meeting itself.
2. Minutes of the Annual and Special Shareholders' Meetings were available on the company website within five business days from the end of the meeting.	Compliant	<p>Provide link to minutes of meeting in the company website.</p> <p>Indicate voting results for all agenda items, including the approving, dissenting and abstaining votes.</p> <p>Indicate also if the voting on resolutions was by poll.</p> <p>Include whether there was opportunity to ask question and the answers given, if any</p>	Minutes of the Annual Meeting are available on the company's website at www.panaharrisonph.com
Recommendation 13.4			

1. Board makes available, at the option of a shareholder, an alternative dispute mechanism to resolve intra-corporate disputes in an amicable and effective manner.	Compliant	Provide details of the alternative dispute resolution made available to resolve intra-corporate disputes	The Company has not had any intra-corporate dispute which required resolution through an alternative dispute mechanism.
2. The alternative dispute mechanism is included in the company's Manual on Corporate Governance.	Non-Compliant	Provide link/reference to where it is found in the Manual on Corporate Governance	

Recommendation 13.5

1. Board establishes an Investor Relations Office (IRO) to ensure constant engagement with its shareholders.	Non-compliant	Disclose the contact details of the officer/office responsible for investor relations, such as: 1. Name of the person 2. Telephone number 3. Fax number 4. E-mail address	The Company does not have and does not foresee the need for an IRO.
2. IRO is present at every shareholder's meeting.	Non-compliant	Indicate if the IRO was present during the ASM.	

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.	The Company's stakeholders are but are not limited to: 1. The insurance companies availing of the reinsurance services of the Company 2. Its employees 3. Suppliers of office needs.
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1. Board establishes clear policies and programs to provide a mechanism on the fair treatment and protection of stakeholders.	Non-Compliant	Identify policies and programs for the protection and fair treatment of company's stakeholders	
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. Provide information on whistleblowing policy, practices and procedures for stakeholders	The aggrieved stakeholders may reach the Company through its Tel. No. 88130004 or through its email address (<i>panare@pldtdsl.net</i>) and refer any complaint to Ms. Purificacion L. Montenegro, the Manager of the Company.
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	Provide information on or link/reference to company policies, programs and procedures that encourage employee participation.	The Company organizes team-building activities to boost the morale of its two employees and encourage them to actively participate in the Company's activities.
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.	Non-Compliant	Identify or provide link/reference to the company's policies, programs and practices on anti-corruption	Considering that the Company has only two employees, the Company does not see a need for a Code of Conduct, and must rely on the employees' conscience, uprightness,


			and moral rectitude in the face of nefarious and corrupt practices.
2. Board disseminates the policy and program to employees across the organization through trainings to embed them in the company's culture.	Compliant	Identify how the board disseminated the policy and program to employees across the organization	Please see the comments above.
Recommendation 15.3			
1. Board establishes a suitable framework for whistleblowing that allows employees to freely communicate their concerns about illegal or unethical practices, without fear of retaliation	Non-compliant	Disclose or provide link/reference to the company whistle-blowing policy and procedure for employees. Indicate if the framework includes procedures to protect the employees from retaliation. Provide contact details to report any illegal or unethical behavior.	The Company has not adopted a whistleblowing policy, practices, and procedures for its two employees.
2. Board establishes a suitable framework for whistleblowing that allows employees to have direct access to an independent member of the Board or a unit created to handle whistleblowing concerns.	Non-compliant		Please see the comments above.
3. Board supervises and ensures the enforcement of the whistleblowing framework.	Non-compliant	Provide information on how the board supervised and ensured enforcement of the whistleblowing framework, including any incident of whistleblowing.	Please see the comments above.
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			

<p>1. Company recognizes and places importance on the interdependence between business and society, and promotes a mutually beneficial relationship that allows the company to grow its business, while contributing to the advancement of the society where it operates.</p>	<p>Non-Compliant</p>	<p>Provide information or reference to a document containing information on the company's community involvement and environment-related programs.</p>	<p>The Company has no community involvement and environment related programs, given the limited scope of its operations and finances and the number of its employees.</p>
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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.

Signed in the City of MAKATI CITY on the AUG 13 2024 of 20.



 AMADOR P. ALVENDIA
 CHAIRMAN OF THE BOARD
 Signature over printed name


 DOMINGO N. COTOCO
 PRESIDENT/CEO
 Signature over printed name


 ROMANA G. VELASCO
 CORPORATE SECRETARY
 Signature over printed name


 PURIFICACION L. MONTENEGRO
 CORPORATE GOVERNANCE
 COMPLIANCE OFFICER
 Signature over printed name


 LUIS R. MUNSAYAC, JR.
 INDEPENDENT DIRECTOR
 Signature over printed name


 JOVITO E. RODRIGUEZ
 INDEPENDENT DIRECTOR
 Signature over printed name

SUBSCRIBED AND SWORN to before me this AUG 13 2024 day of _____, 20_____, by the following who are all 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	ID NO.	DATE/PLACE ISSUED
1. AMADOR P. ALVENDIA	P9137205B	03/08/2022 DFA MANILA
2. DOMINGO N. COTOCO	P0449551B	01/29/2019 DFA MANILA
3. ROMANA G. VELASCO	P0201709C	05/23/2022 DFA MANILA
4. PURIFICACION L. MONTENEGRO	P6851489B	05/22/2021 DFA MANILA
5. LUIS R. MUNSAYAC, JR.	SC0023220	04/06/2018 MARILAO, BULACAN
6. JOVITO E. RODRIGUEZ	SC6400	03/10/2014 BULACAN BULACAN

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 Book No. 152 :
 Series of 20 24 .


ATTY. JOEL FERRER FLORES
 Notary Public for Makati City
 Until December 31, 2024
 Appointment No M-115 (2023-2024)
 Roll of Attorney No 77376
 MCLE Compliance VIII No 0001393-
 Jan. 3, 2023 until Apr 12, 2028
 PTR No. 10073945/ Jan. 2, 2024/ Makati City
 IBP No. 330740/ Jan. 2, 2024/ Pasig City
 1107 Bataan St., Guadalupe Nuevo, Makati City