



STRONGHOLD

INSURANCE COMPANY, INCORPORATED

30 May 2024

ATTY. REYNALDO AVERILLA REGALADO

Insurance Commissioner

INSURANCE COMMISSION

1071 United Nation Avenue

Manila

Re: **SUBMISSION OF 2023 ANNUAL CORPORATE
GOVERNANCE REPORT**

Dear Sir,

We are pleased to submit our 2023 Annual Corporate Governance Report in compliance with Insurance Commission Circular Letter No. 2020-72 dated 13 June 2020.

Thank you.

Very truly yours,

ROMULO I. DELOS REYES, JR.
President & General Manager



Enrico D. Cleofas
Insurance Commission - Admin.
Records - Receiving



STRONGHOLD

INSURANCE COMPANY, INCORPORATED

2023 ANNUAL CORPORATE GOVERNANCE REPORT

OF

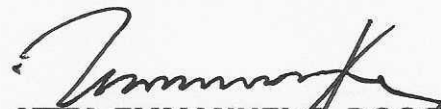
STRONGHOLD INSURANCE COMPANY, INC.

1. For the fiscal year ended **2023**
2. Certificate Authority Number **Blg. 2022/14-R**
3. Province, Country or other jurisdiction of incorporation or organization **A copy of which is attached herewith as *Annex A***
4. Address of principal office **17th Floor, Security Bank Centre,
6776 Ayala Avenue, Makati City**
Postal Code: 1223
5. Company's telephone number, including area code **(632) 8891-1329 to 37**
6. Company's official website **strongholdinsurance.com.ph**
7. Former name, former address, and former fiscal year, if changed since last report. **N/A**


PREPARED BY:


ATTY. DYANDELL G. MENDOZA
Interim Compliance Officer

CERTIFIED BY:


ATTY. EMMANUEL F. DOOC
Chairman


ROMULO I. DELOS REYES, JR.
President and General Manager


CELSO P. VILLEGAS
Independent Director


EDNA M. MARCOLETA
Independent Director



ATTY. DYANDELL G. MENDOZA
Interim Compliance Officer


ATTY. ADRIENNE C. ESPAÑOLA
Corporate Secretary

SUBSCRIBED AND SWORN to before me this 29th day of May, 2024 at Makati City, Metro Manila by the above-named persons who exhibited to me their respective competent evidence of identity, as follows:

Name	Evidence of Identity	Issuing Authority
EMMANUEL F. DOOC	TIN No. 212-240-450	Bureau of Internal Revenue
ROMULO I. DELOS REYES, JR.	TIN No. 127-489-539	Bureau of Internal Revenue
CELSO P. VILLEGAS	TIN No. 121-413-974	Bureau of Internal Revenue
EDNA M. MARCOLETA	TIN No. 122-553-453	Bureau of Internal Revenue
DYANDELL G. MENDOZA	TIN No. 457-161-072	Bureau of Internal Revenue
ADRIENNE C. ESPAÑOLA	TIN No. 614-845-128	Bureau of Internal Revenue

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Page No. 83;
Book No. XV;
Series of 2024.


ATTY. FLORENTINO H. GARCES
APPOINTMENT No. M-180
NOTARY PUBLIC FOR MAKATI CITY
UNTIL DECEMBER 31, 2025
17TH FLOOR, SECURITY BANK CENTRE
6776 AYALA AVENUE, MAKATI CITY
ROLL OF ATTORNEYS No. 39917
PTR No. 10074630 / MAKATI CITY / 01-02-2024
IBP LIFETIME MEMBER No. 07070 / MANILA IV
MCLE COMPLIANCE No. VII-0018941
TIN No. 127-489-338-000

BRANCHES DIRECTORY (NATIONWIDE)

AREA	ADDRESS
NCR (National Capital Region)	
HEAD OFFICE	17th Flr. Security Bank Centre, 6776 Ayala Ave., Makati City
MANILA SERVICE OFFICE	Rm 308 Regina Bldg Escolta Manila
MAKATI ANNEX OFFICE	Rm 1408, Cityland 10, Tower 2, 6817 Ayala Ave., Salcedo Village, Makati City
ORTIGAS BUSINESS CENTER	2712 AIC Burgundy Empire Tower, Ortigas Center, Pasig City
BUENDIA BUSINESS CENTER	Mezanine Floor, Burgundy Tower, Sen. Gil Puyat Avenue
ALABANG BRANCH	M2, South Center Tower, Market St. Madrigal Business Park, Alabang, Muntinlupa City
BINONDO BRANCH	Unit 914 Pacific Land and Bldg.Corp 460 Quintin Paredes cor. Sabino Padilla Sts., Binondo Manila
CALOOCAN BRANCH	Unit 4-A, HGL Bldg. 554 EDSA cor., Biglang-Awa St., Caloocan City
QUEZON CITY BRANCH	Room 403-404, Medalla Bldg. EDSA cor., MacArthur Ave., Cubao, Quezon City
MAKATI BRANCH	Unit No. UG-11, Upper Ground, Cityland Tower, Pasong Tamo, 2210 Don Chino Rocess Ave, Mkt
BGC BUSINESS CENTER	SOHO UNIT 424,Avida Cityflex Towers BGC, 17th Avenue, North Bonifacio, Bonifacio Global City
TOMAS MORATO BUSINESS CENTER	Unit 216, 2nd Flr. THOMPSON'S SQUARE No. 165 Tomas Morato Ave., cor Don Alejandro Rocess Ave., Q.C.
LAS PIÑAS BRANCH	2nd Flr. Unit 2N, 267 Real St., Pamplona Tres, Las Pinas City
PARAÑAQUE BRANCH	2nd flr Unit 203, MJM Bldg, San Antonio Ave., cor Sta. Catalina, San Antonio Valley 1, Parañaque City
FAIRVIEW BRANCH	Unit 2-A, GV Square Bldg., Lot 31, Blk 167, Casa Milan Subd., Commonwealth Ave., Brgy. Greater Lagro, Q.C
LIBIS BRANCH	193 Kavi Bldg E. Rodriguez Jr. Ave., Bagumbayan, Libis Quezon City
Region I (Ilocos Region)	
NORTHERN LUZON REG. OFFICE	E.P. Nava Bldg. MacArthur Highway, Calasiao, Pangasinan
NLRO-ANNEX OFFICE	2 Flr Vera Bldg. San Miguel, Calasiao Pangasinan
DAGUPAN BRANCH	ARB Corporate Center, Tapuac District, Dagupan City Pangasinan
C A R (Cordillera Administrative Region)	
BAGUIO BRANCH	Unit 607, 6th Flr. Jose De Leon Bldg Session Road, Baguio City
Region II (Cagayan Valley)	
TUGUEGARAO BRANCH - 1	Josefina Abraham Centre, Bonifacio cor. Aguinaldo Sts., Tuguegarao City
TUGUEGARAO BRANCH - 2	NASS Bldg., Maharlika Highway, Taguinod St., Carig Sur, Tuguegarao City
CAGAYAN VALLEY REG. OFFICE	Richelle Bldg. 2, Canciller District 1, Cauayan City, Isabela
Region III (Central Luzon)	
CENTRAL LUZON CORPORATE CENTER	Room 302 3rd Floor, Plaza Garcia Bldg., Dolores MacArthur Highway, San Fernando, Pampanga
CABANATUAN BRANCH	G/F, Solid Building, Bernardo District, Maharlika Hiway, Cabanatuan City
ANGELES BRANCH - Annex Makati	Rm F, 2/F, Parzon Square Bldg 625 Sto. Rosario St. Brgy. Sto Domingo Angeles City
GUIGUINTO, BULACAN BRANCH	Unit 1 & 2 D&A Bldg, 3015 Tabang Rd. Brgy Tabang, Guiguinto Bulacan (beside LTO Office)
BALIUAG, BULACAN BRANCH	2nd Flr. "DEMINEENT" DRT Highway, Palaga, Baliuag, Bulacan
MALOLOS BRANCH	Unit 8, 2nd Flr Greenlites Bldg. Paseo Del Congreso, San Agustine, Malolos City, Bulacan
Region IV-A (CALABARZON)	
NUVALI, STA. ROSA BRANCH	3rd Flr. Unit 302 HUMANA WELLNESS CTR, Tagaytay Rd Brgy. Don Jose, Sta. Rosa Laguna
SOUTHERN LUZON CORPORATE CENTER	Lot 13 A, Ayala Highway, Brgy. Mataas na Lupa, Lipa City
BATANGAS CITY BRANCH	Unit A, 2/F Marzo de Ocho Bldg. Purok 3, Calicanto, Batangas City
LUCENA BRANCH	Unit I, Garcia Business Centre, Perez, cor., Edaño Streets, Brgy 9 Pantoc, Lucena City
CAVITE BUSINESS CENTER	SICI Bldg Aguinaldo Highway, Panapaan, Bacoor Cavite
BINANGONAN BRANCH	508 National Rd Calumpang Binangonan, Rizal
Region IV - B (MIMAROPA)	
PALAWAN BRANCH	Room 306, ERC Plaza Commercial Building, National Highway, Brgy San Pedro, Puerto Princesa City
Region V (Bicol Region)	
BICOL REGIONAL OFFICE	2/F, V&O Bldg. cor., Quezon Avenue and Lapu-lapu St. Legazpi City
NAGA BRANCH	Unit 1, Betty Tan Bldg. (beside Sky City Gas Station) Diversion Road, Triangulo, Naga City
NAGA BRANCH - ANNEX OFFICE	G. Tower Bldg, cor Magsaysay Ave & Mayflower Sts., Concepcion Pequeña, Naga City
DAET BRANCH	2nd Flr., The Legacy-Boma Bldg., Brgy III F. Pimentel Ave., Daet Camarines Norte
Region VI (Negros Island Region)	
NEGROS SUB-REG. OFFICE	2nd Flr. Fordland 1 Annex Bldg., Lacson & 11th Sts., Bacolod City
WESTERN VISAYAS CORPORATE CENTER	Brg. San Rafael, Mandurriao, Iloilo City
Regional VII (Central Visayas)	
CEBU-AYALA BUSINESS CENTER	Unit 1518 BPI Corporate Tower, Cebu Business Park, Cebu City
CEBU-ESCARIO REGIONAL OFFICE	2nd Flr. Capitol Square Commercial Arcade, N. Escarion St., Cebu City
Region VIII (Eastern Visayas)	
EASTERN VISAYAS REGIONAL OFFICE	Unit 1 & 2, No. 180 P. Gomez St., Tacloban City
ALLEN, NORTHERN SAMAR	Ground Flr. EWP Bldg II Kinabranan 2, Dapdap, Allen Northern Samar
Region IX (Zamboanga Peninsula)	
PAGADIAN BRANCH	2/F, Prime Arcade Building National Highway, Tiguma, Pagadian City, Zamboanga Del Sur
DIPOLOG BRANCH	GF Alymar Bldg., Hiway Sta. Filomena, Dipolog City
ZAMBOANGA BRANCH	Unit 202, 2nd Floor,CMG Centre, Veterans Avenue, Zamboanga City
Region X (Northern Mindanao)	

NORTHERN MINDANAO CORPORATE CENTER	Stronghold Tower, Yacapin corner Tiano Sts., Cagayan De Oro City
VALENCIA-BUKIDNON	2/F, Tamaylang Arcade, M. Roxas St. Brgy. Poblacion, Valencia City, Bukidnon
OZAMIS BRANCH	2nd Flr. ADM Building, Don Anselmo Bernad Ave., Ozamis City
Region XI (Davao Region)	
DAVAO REGIONAL OFFICE	Door 7, JV Peak Building 95 Roxas Avenue, Davao City
DAVAO ECOLAND BRANCH	Door 202, Pink Walters Bldg. Quimpo Blvd. Brgy. Bucawa Talomo Dist. Davao City
Region XII (Soccsksargen)	
GENERAL SANTOS REG. OFFICE	GF, Hotel Filipino Bldg. Santiago Blvd., General Santos City
KORONADAL SOUTH COTABATO BRANCH	Door 1 Bray & Belle Bldg., Morales Ave., Bo 1 Gen. P. Santos, Koronadal South Cotabato
Region XIII (Caraga Region)	
BUTUAN REGIONAL OFFICE	GF, J.M. Mamacos Bldg., 824 J.C. Aquino Avenue, Butuan City
SAN FRANCISCO AGUSAN DEL SUR BRANCH	Suit 202, 2nd Flr. Tereso R. Rufila Sr. Bldg. Brgy 5, San Antonio Agusan del Sur

ANNUAL CORPORATE GOVERNANCE REPORT			
COMPLIANT/NON-COMPLIANT		ADDITIONAL INFORMATION	
THE BOARD'S GOVERNANCE RESPONSIBILITIES			
EXPLANATION			
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	1. Academic qualifications, industry knowledge, professional experience, expertise and relevant trainings 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	
2. Board has an appropriate mix of competence and expertise	Compliant		
3. Members of the Board 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		
RECOMMENDATION 1.2			
1. Board is composed of a majority of non-executive directors	Compliant	Link/reference: <ul style="list-style-type: none">• <u>Our Management - Board of Directors</u>	
		Out of the seven (7) members of the board, four (4) members are non-executive directors, namely: <ol style="list-style-type: none">1. Atty. Emmanuel F. Dooc2. Ma. Victoria L. Mercado3. Mr. Celso P. Villegas4. Ms. Edna M. Marcoleta	
		Link/reference: <ul style="list-style-type: none">• <u>Latest General Information Sheet</u>	

RECOMMENDATION 1.3			
1. Company provides in its Board Charter or Manual on Corporate Governance a policy on training of directors	Compliant	Link/reference: <ul style="list-style-type: none"> <u>Corporate Governance Manual</u> 	
2. Company provides in its Board Charter or Manual on Corporate Governance an orientation program for first time directors.	Compliant	Link/reference: <ul style="list-style-type: none"> <u>Corporate Governance Manual</u> 	
3. Company has relevant annual continuing training for all directors. At least 4 hours training	Non-Compliant		
RECOMMENDATION 1.4			
1. Board has a policy on board diversity	Compliant	The board is composed of six (6) male and two (2) female members.	
		Link/reference: <ul style="list-style-type: none"> <u>Board of Directors Charter</u> 	
RECOMMENDATION 1.5			
1. Board is assisted in its duties by a Corporate Secretary	Compliant	Link/reference: <ul style="list-style-type: none"> <u>Latest General Information Sheet</u> 	
2. Corporate Secretary is a separate individual from the Compliance Officer.	Compliant		
3. Corporate Secretary is not a member of the Board of Directors.	Compliant		
4. Corporate Secretary attends training/s on corporate governance.	Compliant	Atty. Española attended the following seminar/s:	

		ASEAN Corporate Governance Scorecard of the Institute of Corporate Directors	
RECOMMENDATION 1.6			
1. Board is assisted by a Compliance Officer	Compliant	The Corporate Governance Compliance Officer is Jose T. Vallejos , one of the Vice-Presidents of the Company. He is not a member of the Board of Directors. Link/reference: <ul style="list-style-type: none"><u>Corporate Governance Manual</u>	
2. Compliance Officer has a rank of Vice President or an equivalent position with adequate stature and authority in the corporation.	Compliant		
3. Compliance Officer is not a member of the board	Compliant		
4. Compliance Officer attends trainings/s on corporate governance annually.	Non-Compliant		Mr. Vallejos attended the following seminar/s in 2022: ASEAN Corporate Governance Scorecard of the Institute of Corporate Directors
PRINCIPLE 2: The fiduciary roles, responsibilities and accountabilities of the Board as provided under the law, the company's articles and by-laws, and other legal pronouncements and guidelines should be clearly made known to all directors as well as to stockholders and other stakeholders.			
RECOMMENDATION 2.1			
1. Directors act on a fully informed basis, in good faith, with due diligence and care, and in the best interest of the company.	Compliant	Link/reference: <ul style="list-style-type: none"><u>Corporate Governance Manual</u>	
RECOMMENDATION 2.2			

1. Board oversees the development, review and approval of the company's business objectives and strategy.	Compliant	Link/reference: <ul style="list-style-type: none"> <u>Corporate Governance Manual</u> 	
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		
RECOMMENDATION 2.3			
1. Board is headed by a competent and qualified Chairperson.	Compliant	The Board is headed by Atty. Emmanuel F. Dooc. His Education/Professional Development, Work Experiences, Other Directorships/Positions, and Awards/Recognitions can be found in the link below. Link/reference: <ul style="list-style-type: none"> <u>Our Management - Board of Directors</u> 	
RECOMMENDATION 2.4			
1. Board ensures and adopts an effective succession planning program for directors, key officers and management	Compliant	Link/reference: <ul style="list-style-type: none"> <u>Board Succession Policy</u> 	
2. Board adopts a policy on the retirement for directors and key officers	Compliant		
RECOMMENDATION 2.5			

1. Board formulates and adopts a policy specifying the relationship between remuneration and performance of key officers and board members.	Compliant	Link/reference: <ul style="list-style-type: none"> • <u>Remuneration Committee Charter</u> 	
2. Board aligns the remuneration of key officers and board members with long-term interests of the company.	Compliant		
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	Please refer to Section 2. Duties and Responsibilities in the Nomination Committee Charter. Link/reference: <ul style="list-style-type: none"> • <u>Nomination Committee Charter</u> 	
2. Board nomination and election policy is disclosed in the company's Manual on Corporate Governance.	Compliant		
3. Board nomination and election policy includes how the company accepts nomination from minority shareholders.	Compliant		
4. Board nomination and election policy includes how the board reviews nominated candidates.	Compliant		
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		

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	Link/reference: <ul style="list-style-type: none">Related Party Transaction Policy	
2. RPT policy includes appropriate review and approval of material RPTs, which guarantee fairness and transparency of the transactions.	Compliant		
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			
1. Board is primarily responsible for approving the selection of Management led by the Chief Executive Officer (CEO) and the heads of the other control functions (Chief Risk Officer, Chief Compliance Officer and Chief Audit Executive)	Compliant	Link/reference: <ul style="list-style-type: none">Corporate Governance Manual	
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,	Compliant	Link/reference: <ul style="list-style-type: none">Corporate Governance Manual	

Chief Compliance Officer and Chief Audit Executive)			
RECOMMENDATION 2.9			
1. Board establishes 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 and Senior Management.	Non-Compliant	Please refer to VIII. Corporate Governance Structure – 1. Board of Directors – 1.3 General Responsibilities of the Board of Directors Link/reference: <ul style="list-style-type: none">• <u>Corporate Governance Policy Manual</u>	
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	Non-Compliant		
RECOMMENDATION 2.10			
1. Board oversees that an appropriate internal control system is in place	Compliant	Link/reference: <ul style="list-style-type: none">• <u>Audit Committee Charter</u>	
2. The internal control system includes a mechanism for monitoring and managing potential conflict of interest of the Management, members and shareholders.	Compliant		
3. Board approves the Internal Audit Charter	Compliant		
RECOMMENDATION 2.11			
1. Board oversees that the company has in place a sound enterprise risk management (ERM) framework to effectively identify,	Compliant	Link/reference:	

monitor, assess and manage key business risks.		<ul style="list-style-type: none"><u>Board Risk Oversight Committee Charter</u>	
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		
RECOMMENDATION 2.12			
1. Board has a Board Charter that formalizes and clearly states its roles, responsibilities and accountabilities in carrying out its fiduciary duties.	Compliant	Link/reference: <ul style="list-style-type: none"><u>Board of Directors Charter</u>	
2. Board Charter serves as a guide to the directors in the performance of their functions.	Compliant		
3. Board Charter is publicly available and posted on the company's website.	Compliant		
PRINCIPLE 3. Board committees should be set up to the extent possible to support the effective performance of the Board's functions, particularly with respect to audit, risk management, related party transactions, and other key corporate governance concerns, such as nomination and remuneration. The composition, functions and responsibilities of all committees established should be contained in a publicly available Committee Charter.			
RECOMMENDATION 3.1			
1. Board establishes board committees that focus on specific board functions to aid in the optimal performance of its roles and responsibilities.	Compliant	Please refer to Section 9 of the Board of Director's Charter. Link/reference: <ul style="list-style-type: none"><u>Board of Directors Charter</u>	

RECOMMENDATION 3.2			
1. Board establishes an Audit Committee to enhance its oversight capability over the company's financial reporting, internal control system, internal and external audit processes, and compliance with applicable laws and regulations.	Compliant	It is the responsibility of the Audit Committee to recommend the appointment and removal of the company's external auditor as can be seen in Section 2.H of the Charter. Link/reference: <ul style="list-style-type: none"> • <u>Audit Committee Charter</u> 	
2. Audit Committee is composed of at least three appropriately qualified non-executive directors, the majority of whom, including the Chairman is independent.	Compliant	The committee is chaired by Sonia M. Roco, an independent director. The members are Edmund V. Saiyo, an independent director and Ma. Victoria L. Mercado, Vice-Chairman of the Board. Link/reference: <ul style="list-style-type: none"> • <u>Our Management - Board of Directors</u> 	
3. All the members of the committee have relevant background, knowledge, skills, and/or experience in the areas of accounting, auditing and finance.	Compliant	Background, Knowledge, Skills, and/or Experience of the members of the Audit Committee can be found in the link below. Link/reference: <ul style="list-style-type: none"> • <u>Our Management - Board of Directors</u> 	

4. The Chairman of the Audit Committee is not the Chairman of the Board or of any other committee.	Compliant	Sonia M. Roco is the Chairman of the Audit Committee and does not hold any other chairmanship in any committees. Link/reference: <ul style="list-style-type: none"> • <u>Our Management - Board Committees</u> 	
RECOMMENDATION 3.3			
1. Board establishes a Corporate Governance Committee tasked to assist the Board in the performance of its corporate governance responsibilities, including the functions that were formerly assigned to a Nomination and Remuneration Committee.	Compliant	Please refer to VIII. Corporate Governance Structure – 2. Board Committees – 2.2 Corporate Governance Committee Link/reference: <ul style="list-style-type: none"> • <u>Corporate Governance Policy Manual</u> 	
2. Corporate Governance Committee is composed of at least three members, majority of whom should be independent directors.	Compliant	The committee is chaired by Edmund V. Saiyo, an independent director. The members are Sonia M. Roco, an independent director and Ma. Victoria L. Mercado, Vice-Chairman of the Board. Link/reference: <ul style="list-style-type: none"> • <u>Our Management - Board Committees</u> 	
3. Chairman of the Corporate Governance Committee is an independent director.	Compliant	Edmund V. Saiyo is the Chairman of Corporate Governance Committee and an independent director. Link/reference: <ul style="list-style-type: none"> • <u>Our Management - Board Committees</u> 	

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.	Compliant	Refer to the Following: <ol style="list-style-type: none">1. List of Committees and Members version 2023.2. Risk Oversight Committee and Risk Management Committee Charter.	
2. BROC is composed of at least three members, the majority of whom should be independent directors, including the Chairman.	Compliant	Link/reference: <ul style="list-style-type: none">• <u>Board Risk Oversight Committee Charter</u> Refer to the List of Committees and Members version 2023. Risk Oversight Committee and Risk Management Committee Charter The Chairman is Ma. Victoria L. Mercado who is non-executive director together with Atty. Emmanuel F. Dooc and Mr. Edmund V. Saiyo as member.	
3. The Chairman of the BROC is not the Chairman of the Board or of any other committee.	Compliant	Link: <ul style="list-style-type: none">• <u>Our Management - Board of Directors</u> Ma. Victoria L. Mercado is the Chairman of the committee who is non-executive director and does not hold any chairmanship of any board committees.	

		<ul style="list-style-type: none"> • <u>Our Management - Board of Directors</u> <p>Our management - Committees Risk Oversight Committee - Ma. Victoria L. Mercado</p>	
4. At least one member of the BROCC has relevant thorough knowledge and experience on risk and risk management	Compliant	<p>Atty. Emmanuel F. Dooc, non-executive director, has extensive experience on risk and risk management.</p> <p>Refer to the Board of Directors Profile.</p> <p>Link/reference:</p> <ul style="list-style-type: none"> • <u>Our Management - Board of Directors</u> 	
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	Compliant	<p>Link/reference:</p> <ul style="list-style-type: none"> • <u>Corporate Governance Charter</u> 	
2. RPT Committee is composed of at least three non-executive directors, majority of whom should be independent, including the Chairman.	Compliant	<p>The committee is composed of all non-executive and independent directors and Edmund V. Saiyo as Chairman.</p> <p>Link/reference:</p> <ul style="list-style-type: none"> • <u>List of Board Committees</u> 	
RECOMMENDATION 3.6			
1. All established committees have a Committee Charters stating in plain terms	Compliant	<p>Refer to the following:</p> <ul style="list-style-type: none"> • Nomination Committee Charter 	

their respective purposes, memberships, structures, operations, reporting process, resources and other relevant information.		<ul style="list-style-type: none"> • Board Risk Oversight Committee Charter • Audit Committee Charter • Remuneration Committee Charter • Corporate Governance Committee Charter • Related Party Transactions Committee Charter 	
2. Committee Charters provide standards for evaluating the performance of the Committees.	Compliant	Link/reference: <ul style="list-style-type: none"> • <u>Corporate Governance Charter</u> 	
3. Committee Charters were fully disclosed on the company's website.	Compliant	Link/reference: <ul style="list-style-type: none"> • <u>Corporate Governance Charter</u> 	
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 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.	Compliant	Board of Directors Charter Section 4. Board Meetings and Quorum of the Meetings Minutes of the Board Meeting (2023) Link/reference: <ul style="list-style-type: none"> • <u>Stronghold Insurance Company Inc. - Website</u> 	
2. The directors review meeting materials for all Board and Committee meetings.	Compliant	Link/reference: <ul style="list-style-type: none"> • <u>Board of Directors Charter</u> • <u>Minutes of the Board Meeting</u> 	

3. The directors asks the necessary questions or seek clarifications and explanations during the Board and Committee meetings.	Compliant	Link/reference: <ul style="list-style-type: none"> <u>Board of Directors Charter</u> 	
RECOMMENDATION 4.2			
1. Non-executive directors concurrently serve as directors to a maximum of five Insurance Commission Regulated Entities (ICRES) and publicly-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.	Compliant	Link/reference: <ul style="list-style-type: none"> <u>Corporate Governance Manual</u> 	
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	Compliant	Link/reference: <ul style="list-style-type: none"> <u>Nomination Charter</u> 	
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%) independent directors.	Compliant	Out of seven (7) directors, two (2) are independent directors or 28.57%	
RECOMMENDATION 5.2			
1. The independent directors possess all the necessary qualifications and none of the disqualifications to hold the position.	Compliant	Refer to the following: 1, Board of Directors profile	

		2, Company's Revised Code of Corporate Governance "Independent Directors"	<ul style="list-style-type: none"> • <u>Bio-data – Our Management</u> • <u>Corporate Governance policy manual</u> 	
RECOMMENDATION 5.3				
<p>1. The independent directors serve for a maximum cumulative term of nine years.</p> <p>As far as Insurance Companies are concerned, the foregoing term limit shall be reckoned from 02 January 2015 while the reckoning date for the Pre-Need Companies and Health Maintenance Organizations shall be from 21 September 2016.</p> <p>For other covered entities, all previous terms served by existing Independent Directors prior to the effectivity of this Circular shall not be included in the application of the term limit prescribed in this item.</p>	Compliant	<p>Refer to VIII. Corporate Governance Structure - 1. Board of Directors - 1.8. Term Limits of Independent Directors</p> <p>Link/reference:</p> <ul style="list-style-type: none"> • <u>Corporate Governance Policy Manual</u> 		
2. The company bars an independent director from serving in such capacity after the term limit of nine years.	Compliant	<p>Please check with the company policy or corporate governance manual</p> <ul style="list-style-type: none"> • <u>Corporate Governance Policy Manual</u> 		
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	Not Applicable			The company has no director that has reached the maximum cumulative of nine (9) years.

justification and seek 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 a separate individual.

Compliant

Refer to 2023 GIS and Board of Directors profile.

- Our Management - Board of Directors

Chairman of the Board – Atty. Emmanuel F. Dooc President & General Manager – Romulo I. Delos Reyes Jr.

2. The Chairman of the Board and Chief Executive Officer have clearly defined responsibilities.

Refer to the company's Amended By-Laws.

VIII. Corporate Governance Structure
1.Board of Directors
1.10. Specific Duties and Responsibilities of the Chairman of the Board

3.Key Officers and their Responsibilities
3.1 The President and General Manager

- Link/Reference:
- Corporate Governance Policy Manual
 - Board of Directors Charter

RECOMMENDATION 5.5

1. If the Chairman of the Board is not an independent director or where the roles of

Compliant

The Chairman of the Board is non-executive Director.

Chairman and CEO are being held by one person, the Board should designate a lead director among the independent directors.		Refer to 2023 GIS and Board of Directors profile. Link/Reference: • <u>Our Management - Board of Directors</u>	
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	No Directors had any material interest in the transactions of the company. Link/Reference: • <u>Corporate Governance Policy Manual</u> • <u>Related Party Transactions Policy</u>	
RECOMMENDATION 5.7 1. The non-executive directors (NEDs) have separate periodic meetings with the external auditor and heads of the internal audit, compliance and risk functions, without any executive directors present to ensure that proper checks and balances are in place within the corporation.	Compliant	Section 4. Committee Procedures Link/Reference: • <u>Related Party Transactions Policy</u>	
2. The meetings are chaired by the lead independent director	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. The Board conducts an annual assessment of its performance as a whole.	Compliant	Performance Assessment of Directors and Key Officers Link/Reference: <ul style="list-style-type: none">• <u>Board of Directors Charter</u>	
2. The performance of the Chairman is assessed annually by the Board.	Compliant		
3. The performance of the individual member of the Board is assessed annually by the Board.	Compliant		
4. The performance of each committee is assessed annually by the Board.	Compliant		
5. Every three years, the assessments are supported by an external facilitator.	Compliant		
		Performance Assessment of Directors and Key Officers	
		Link/Reference: <ul style="list-style-type: none">• <u>Board of Directors Charter</u>	

RECOMMENDATION 6.2

1. Board has in place a system that provides, at the minimum, criteria and process to determine the performance of the Board, individual directors and committees.	Compliant	Performance Assessment of Directors and Key Officers	
		Link/Reference: <ul style="list-style-type: none">• <u>Board of Directors Charter</u>	
2. The system allows for a feedback mechanism from the shareholders.	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.	Compliant	Link/Reference: <ul style="list-style-type: none">• <u>Corporate Governance Policy Manual</u>	
2. The Code is properly disseminated to the Board, senior management and employees.	Compliant	Link/Reference: <ul style="list-style-type: none">• <u>Corporate Governance Policy Manual</u>	
3. The Code is disclosed and made available to the public through the company website.	Compliant	Link/Reference: <ul style="list-style-type: none">• <u>Corporate Governance Policy Manual</u>	

RECOMMENDATION 7.2

1. Board ensures the proper and efficient implementation and monitoring of compliance with the Code of Business Conduct and Ethics.	Compliant	Employee Handbook of Conduct <ul style="list-style-type: none">• Company Rules & Regulations and Disciplinary Actions• Company rule of Conduct—Page 39• The Disciplinary Action Process—Pages 42-45• Offences & Sanctions/ Disciplinary Actions—Pages 42	
2. Board ensures the proper and efficient implementation and monitoring of compliance with company internal policies.	Compliant	All Employees as defined in Employee Handbook Manual	

DISCLOSURE AND TRANSPARENCY

PRINCIPLE 8. The company should establish corporate disclosure policies and procedures that are practical and in accordance with best practices and regulatory expectations.

RECOMMENDATION 8.1				
1. Board establishes corporate disclosure policies and procedures to ensure a comprehensive, accurate, reliable and timely report to shareholders and other stakeholders that gives a fair and complete picture of a company's financial condition, results and business operations.	Compliant	Link/Reference: <ul style="list-style-type: none"> • <u>Corporate Governance Policy Manual</u> 		
RECOMMENDATION 8.3				
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 judgement.	Compliant	Link/Reference: <ul style="list-style-type: none"> • <u>Our Management - Board of Directors</u> 		
2. Board fully discloses all relevant and material information on key executives to evaluate their experience and qualifications, and assess any potential conflicts of interests that might affect their judgement.	Compliant	Link/Reference: <ul style="list-style-type: none"> • <u>Our Management - Board of Directors</u> 		
RECOMMENDATION 8.4				
1. Company provides a clear disclosure of its policies and procedure for setting Board remuneration, including the level and mix of the same in the Annual Corporate Governance Report consistent with ASEAN Corporate Governance Scorecard (ACGS) and the Revised Corporation Code.	Compliant	Refer to Section 8. Compensation of Board Members Remuneration Charter <ul style="list-style-type: none"> • <u>Board of Directors Charter</u> 		

2. Company provides a clear disclosure of its policies and procedure for setting Executive remuneration, including the level and mix of the same in the Annual Corporate Governance Report consistent with ASEAN Corporate Governance Scorecard (ACGS) and the Revised Corporation Code.	Compliant	Link/reference: <ul style="list-style-type: none"> <u>Remuneration Charter</u> 	
3. Company discloses the remuneration on an individual basis, including termination and retirement provisions.	Non-Compliant		Confidential Officers and Employee including retirement are not subject to disclosure because the Company is a private entity.
RECOMMENDATION 8.5			
1. Company disclose its policies governing Related Party Transactions (RPTs) and other unusual or infrequently occurring transactions.	Compliant	The company has existing policies on related party transactions. However, no related party transaction occurred in 2023. Link/reference: <ul style="list-style-type: none"> <u>Related Party Transactions Policy</u> 	
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.	Not applicable		No related party transactions disclosed in the Notes to Audited Financial Statements.
RECOMMENDATION 8.7			

1. Company's corporate governance policies programs and procedures are contained in its Manual on Corporate Governance (MCG).	Compliant	Link/reference: • <u>Corporate Governance Policy Manual</u>	
2. Company's MCG is posted on its company website.	Compliant		

PRINCIPLE 9: The company should establish standards for the appropriate selection of an external auditor, and exercise effective oversight of the same to strengthen the external auditor's independence and enhance audit quality.

RECOMMENDATION 9.1

1. Audit Committee has a robust process for approving and recommending the appointment, reappointment, removal, and fees of the external auditors.	Compliant	Link/Reference: • <u>Audit Committee Charter</u>	
2. The appointment, reappointment, removal, and fees of the external auditor is recommended by the Audit Committee, approved by the Board and ratified by the shareholders.	Compliant	Link/Reference: • <u>Audit Committee Charter</u> • <u>Excerpt from the Minutes of Annual Stockholders Meeting for 2023</u>	
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.	Not applicable		The company has not removed its existing external auditor for 2022.

RECOMMENDATION 9.2

1. Audit Committee Charter includes the Audit Committee's responsibility on:	Compliant	Link/Reference: • <u>Audit Committee Charter</u>	
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<p>i. assessing the integrity and independence of external auditors;</p> <p>ii. exercising effective oversight to review and monitor the external auditor's independence and objectivity; and</p> <p>iii. exercising effective oversight to review and monitor the effectiveness of the audit process, taking into consideration relevant Philippine professional and regulatory requirements.</p>			
<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>	Compliant	<p>Link/Reference:</p> <ul style="list-style-type: none"> • <u>Audit Committee Charter</u> 	
RECOMMENDATION 9.3			
<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>	Not applicable	<p>Link/Reference:</p> <ul style="list-style-type: none"> • <u>Audit Committee Charter</u> 	<p>No non-audit services were performed by I.T. Sabado and Associates for 2023.</p>
<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>	Compliant	<p>Link/Reference:</p> <ul style="list-style-type: none"> • <u>Audit Committee Charter</u> 	
PRINCIPLE 10: The company should ensure that the material and reportable non-financial and sustainability issues are disclosed.			
RECOMMENDATION 10.1			

1. Board has a clear and focused policy on the disclosure of non-financial information, with emphasis on the management of economic, environmental, social and governance (EESG) issues of its business, which underpin sustainability.	Compliant	Link/reference: <ul style="list-style-type: none"> • <u>Corporate Governance Policy Manual</u> 	
2. Company adopts a globally recognized standard/framework in reporting sustainability and non-financial issues.	Compliant	Link/reference: <ul style="list-style-type: none"> • <u>Sustainability Reports</u> 	
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	All relevant information about the company is posted at https://strongholdinsurance.com.ph/	
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.	Non-Compliant		No written internal control system has been formulated. Quarterly report for business activities of Treasury, Collection, Investment

			Corporate Governance review
2. Company has an adequate and effective enterprise risk management framework in the conduct of its business.	Compliant	Link/reference: <ul style="list-style-type: none"> <u>Board Risk Oversight Committee Charter</u> 	
RECOMMENDATION 12.2			
1. Company has in place an independent internal audit function that provides an independent and objective assurance, and consulting services designed to add value and improve the company's operations.	Compliant	The Company has its own Internal Audit Department headed by their Vice President Ms. Jyoti Jill D. Pahlga.	
RECOMMENDATION 12.3			
1. The company has a qualified Chief Audit Executive (CAE) appointed by the Board.	Compliant	Link/Reference: <ul style="list-style-type: none"> <u>Our Management - Corporate Officers</u> 	
2. CAE oversees and is responsible for the internal audit activity of the organization, including that a portion that is outsourced to a third party service provider.	Compliant		
3. In case of a fully outsourced internal audit activity, qualified independent executive or senior management personnel is assigned the responsibility for managing the fully outsourced internal audit activity.	Not applicable		The Company has its own Internal Audit Department headed by their Vice President Ms. Jyoti Jill D. Pahlga.
RECOMMENDATION 12.4			
1. The company has a separate risk management function to identify, assess and monitor key risk exposures.	Non-compliant	Link/reference: <ul style="list-style-type: none"> <u>Board Risk Oversight Committee Charter</u> 	

RECOMMENDATION 12.5			
1. In managing the company's Risk Management System, the company has a Chief Risk Officer (CRO), who is the ultimate champion of Enterprise Risk Management (ERM).	Compliant	The Company has appointed its Executive Vice President Mr. Joel T. Almagro.	
2. CRO has adequate authority, stature, resources and support to fulfill his/her responsibilities.	Compliant		
PRINCIPLE 13: The company should treat all shareholders fairly and equitably, and also recognize, protect and facilitate the exercise of their rights.			
RECOMMENDATION 13.1			
1. Board ensures that basic shareholder rights are disclosed in the Manual on Corporate Governance.	Compliant	Link/reference: <ul style="list-style-type: none">• <u>Corporate Governance Policy Manual</u>	
2. Board ensures that basic shareholder rights are disclosed on the company's website.	Compliant	Link/reference: <ul style="list-style-type: none">• <u>Corporate Governance Policy Manual</u>	
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	Link/Reference: <ul style="list-style-type: none">• <u>Notice of Annual Stockholders Meeting 2023</u>	
RECOMMENDATION 13.3			
1. Board encouraged active shareholder participation by making the result of the votes taken during the most recent Annual or	Compliant	Link/Reference:	

Special Shareholders' Meeting publicly available the next working day.		<ul style="list-style-type: none"> Excerpt from the <u>Minutes of Annual Stockholders Meeting for 2023</u> 	
2. Minutes of the Annual and Special Shareholders' Meetings are available on the company website within five business days from the end of the meeting.	Compliant	Link/Reference: <ul style="list-style-type: none"> Excerpt from the <u>Minutes of Annual Stockholders Meeting for 2023</u> 	
RECOMMENDATION 13.4			
1. Board has an alternative dispute mechanism to resolve intra-corporate disputes in an amicable and effective manner	Compliant	Link/reference: <ul style="list-style-type: none"> <u>Corporate Governance Policy Manual</u> 	
2. The alternative dispute mechanism is included in the company's Manual on Corporate Governance.	Compliant	Link/reference: <ul style="list-style-type: none"> <u>Corporate Governance Policy Manual</u> 	
PRINCIPLE 14: The rights of stakeholders established by law, by contractual relations and through voluntary commitments must be respected. Where stakeholders' rights and/or interests are at stake, stakeholders should have the opportunity to obtain prompt effective redress for the violation of their rights.			
RECOMMENDATION 14.1			
1. Board identifies the company's various stakeholders and promotes cooperation between them and the company in creating wealth, growth, and sustainability.	Compliant	Link/reference: <ul style="list-style-type: none"> <u>Corporate Governance Policy Manual</u> 	
RECOMMENDATION 14.2			

1. Board establishes clear policies and programs to provide a mechanism on the fair treatment and protection of stakeholders.	Compliant	Link/reference: <ul style="list-style-type: none"> • <u>Corporate Governance Policy Manual</u> 	
RECOMMENDATION 14.3			
1. Board adopts a transparent framework and process that allow stakeholders to communicate with the company and to obtain redress for the violation of their rights.	Compliant	Link/reference: <ul style="list-style-type: none"> • <u>Corporate Governance Policy Manual</u> 	
Principle 15: A mechanism for employee participation should be developed to create a symbiotic environment, realize the company's goals and participate in its corporate governance processes.			
RECOMMENDATION 15.1			
1. Board establishes policies, programs and procedures that encourage employees to actively participate in the realization of the company's goals and in its governance.	Compliant	Link/reference: <ul style="list-style-type: none"> • <u>Corporate Governance Policy Manual</u> 	
RECOMMENDATION 15.2			
1. Board sets the tone and makes a stand against corrupt practices by adopting an anti-corruption policy and program in its Code of Conduct.	Compliant	Link/reference: <ul style="list-style-type: none"> • <u>Anti-Bribery and Corruption Policy</u> • <u>Employee Handbook of Conduct</u> 	
2. Board disseminates the policy and program to employees across the organization through trainings to embed them in the company's culture.	Compliant	The Company provides every newly-hired employee a copy of the <u>Employee Handbook of Conduct</u> following their Orientation Day. Link/Reference: <ul style="list-style-type: none"> • <u>Employee Handbook of Conduct</u> 	

RECOMMENDATION 15.3			
1. Board establishes a suitable framework for whistleblowing that allows employees to freely communicate their concerns about illegal or unethical practices, without fear of retaliation.	Compliant	Link/reference: <ul style="list-style-type: none"> • <u>Whistleblowing Policy</u> • <u>Employee Handbook of Conduct</u> 	
2. Board establishes a suitable framework for whistleblowing that allows employees to have direct access to an independent member of the Board or a unit created to handle whistleblowing concerns.	Compliant		
3. Board supervises and ensures the enforcement of the whistleblowing framework.	Compliant	Link/reference: <ul style="list-style-type: none"> • <u>Whistleblowing Policy</u> • <u>Employee Handbook of Conduct</u> 	
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			
1. Company recognizes and places importance on the interdependence between business and society and promotes a mutually beneficial relationship that allows the company to grow its business, while contributing to the advancement of the society where it operates.	Compliant	Link/reference: <ul style="list-style-type: none"> • <u>Corporate Governance Policy Manual</u> • <u>Corporate Social Responsibility</u> 	