



STRONGHOLD

INSURANCE COMPANY, INCORPORATED



CORPORATE GOVERNANCE SCORECARD

COMPANY INFORMATION

Name of Company **STRONGHOLD INSURANCE COMPANY, INC.**

Address **17th Floor, Security Bank Centre, 6776 Ayala Avenue Makati City**

Contact Person **JOSE T. VALLEJOS, JR.**

Designation **Asst. Vice-President**

Telephone number **8891-13-29 to 37**

Fax number **8891-1181**

Email address jvallejosjr@strongholdinsurance.com.ph

ATTESTATION:

I attest that, to the best of my knowledge, all information in this assessment is accurate and truthful, and that all supporting documents are adequately provided.

ATTY. FLORENTINO H. GARCES

Name & Signature of Authorized Company Representative

Date: **15-Jul-20**

STRONGHOLD INSURANCE COMPANY, INC.

(ASEAN Corporate Governance Scorecard)

COMPANY NAME:	Stronghold Insurance Company, Inc.	COMPANY STRUCTURE:
FINANCIAL YEAR END:	2019	<input type="radio"/> Class 1 <input type="radio"/> Class 3 <input type="radio"/> Class 5
SECTOR	<input checked="" type="checkbox"/> Insurance <input type="checkbox"/> MBA	<input type="radio"/> Class 2 <input type="radio"/> Class 4

A. Rights of Shareholders

A.1 Basic Shareholder Rights		Yes/No	Source Document/ Location of Information
A.1.1	Does the company pay (interim and final/annual dividends in an equitable and timely manner; that is, all shareholders are treated equally and paid within 30 days after being(i) declared for interimdividends and (ii) approved by annual general meeting (AGM) for final dividends?	YES	Article VII - DIVIDENDS; Article IX - DISTRIBUTION OF NET PROFITS (Amended By-Laws of Stronghold Insurance Co., Inc.) www.strongholdinsurance.com.ph and in concurrence with Section 201 of the Insurance Code of the Philippines, as Amended.

A.2 Right to participate indecisions concerning fundamental corporate changes.

<i>Do shareholders have the right to participate in:</i>				
A.2.1	Amendments of the company's constitution?	OECD Principle II (B) Shareholders should have the right to participate in, and to be sufficiently informed on, decisions concernong fundamental corporate changes such as: (1) amendments to the statutes, or articles of incorporation or similar governing documents of the company.	YES	Article XIII - AMENDMENTS of the Amended By-Laws of Stronghold Insurance Co., Inc. - www.strongholdinsurance.com.ph

A.2.2	The authorisation of additional shares?	OECD Principle II (B) (2) The autorisation of additional shares	YES	Authorization of additional shares is subject to approval by the SEC and taken up in the Stockholder's meeting.
A.2.3	The transfer of all substantially all assets, which in effect results in the sale of the company?	OECD Principle II (B) (3) extraordinary transactions, including the transfer of all or substantially all assets, that in effect result in the sale of the company.	DEFAULT	Article III, Section 9- POWERS OF THE BOARD OF DIRECTORS Amended By-Laws of Stronghold Insurance Co., Inc. www.strongholdinsurance.com.ph

A.3 Right to participate effectively in and vote in general shareholder meetings and should be informed of the rules, including voting procedures, that govern general shareholder meetings.

A.3.1	Do shareholders have the oppurtunity, evidenced by an agenda item, to approved remuneration (fees, allowances, benefit-in-kind and other remuneration) or any increases in remuneration for the non-executive directors/commissioners?	OECD Principle II (C.): (3) Effective shareholdoners participation in key corporate governance decisions, such as the nomination and election of the board members, should be facilitated. Shareholders should be able to make their views known on the remuneration policy for the board members and key executives. The equity component of compensation schemes for board members and employees should be subject to shareholders approval.	YES	1) Article XII, Section 2 - COMPENSATION OF DIRECTORS Amended By-Laws of Stronghold Insurance Co., Inc. ; 2) Item VIII, 1.11 - REMUNERATION OF DIRECTORS AND OFFICERS Corporate Governance Policy Manual of Stronghold Insurance Co., Inc. www.strongholdinsurance.com.ph
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A.3.2	Does the company provide non-controlling shareholders a right to nominate candidates for board of directors/commissioners?		YES	1. Article III, Section 4- Vacancies; Section 5 - Method of Electing Entirely New Board of the Amended By-Laws of Stronghold Insurance Co., Inc.; 2. Item IX , Section 1- Stockholder's Right to Vote of Stronghold Insurance Co., Inc. Corporate Governance Policy Manual www.strongholdinsurance.com.ph
A.3.3	Does the company allow shareholders to elect directors/commissioners individually?		YES	Article III, Section 2 - Method of Election (Stronghold Insurance Co., Inc. Amended By-Laws www.strongholdinsurance.com.ph
A.3.4	Does the company disclose the voting and vote tabulation procedures used, declaring both before the meeting proceeds?	OECD Principle II (C.): Shareholders should have the opportunity to participate and vote in general meetings and should be informed of the rules, including voting procedures, that govern general shareholders meeting.	DEFAULT	Defined in Article II, Sections 6, 7, 8, 9 and 10 of the Amended By-Laws of Stronghold Insurance Co., Inc. www.strongholdinsurance.com.ph
A.3.5	Do the minutes of the most recent AGM record that there was an opportunity allowing for shareholders to ask questions or raise issues?	OECD Principle II (C.): (2) Shareholders should have the opportunity to ask questions to the board, including questions relating to the annual external audit, to place items agenda of general meetings, and to propose resolutions, subject to reasonable limitations.	YES	At the Annual Membership meeting of the Stockholders last February 19, 2019, the Corporate Secretary read the Minutes of the previous Stockholders meeting. Since there were no questions asked nor issues raised, the Minutes were duly confirmed by majority vote without amendments. Please see www.strongholdinsurance.com.ph

A.3.6	Do the minutes of the most recent AGM record questions and answers?		NO	Please see answer to A.3.5. In view of the foregoing, there were no questions and answers recorded.
A.3.7	Does the disclosure of the outcome of the most recent AGM include resolution(s)		No	The most recent Annual General Membership meeting pertain only to the nomination and election of the Board of Directors and the ratification of matters taken up in the previous Board Meeting. This is uploaded in the Company website www.strongholdinsurance.com.ph .
A.3.8	Does the company disclose the voting results including approving, dissenting, and abstaining votes for each agenda item for the most recent AGM?		YES	Outcome of the results of votation made in the 2019 Annual General Membership meeting is disclosed in Minutes of the meeting. However, there was no recorded dissenting or abstaining vote of the stockholders. The minutes are uploaded in the Company website www.strongholdinsurance.com.ph .
A.3.9	Does the company disclose the list of board members who attended the most recent AGM?	<p>OECD Principle II (C.): ICGN 2.4.2 All directors need to be able to allocate sufficient time to the board to perform their responsibilities effectively, including allowing some leeway for occasions when greater than usual time demands are made.</p>	YES	The company discloses the list of Board Members who attended the 2019 Annual General Membership meeting. Minutes of the meeting is uploaded in the Company website www.strongholdinsurance.com.ph

A.3.10	Did the chairman of the board of directors/ commissioners attend the most recent AGM?		YES	The Chairman of the Board of Directors attended the recent Annual General Membership as per Minutes of the Meeting uploaded in the Company Website www.strongholdinsurance.com.ph
A.3.11	Did the CEO/ Managing Director/ President attend the most recent AGM?		YES	The President and General Manager attended the 2019 Annual General Membership as per Minutes of the Meeting uploaded in the Company Website www.strongholdinsurance.com.ph
A.3.12	Did the chairman of the Audit Committee attend the most AGM?		DEFAULT	Stronghold Insurance Co., Inc. Corporate Governance Policy Manual was approved by the Board of Directors on June 15, 2020.
A.3.13	Did the company organise the most recent AGM in an easy to reach location?	OECD Principle II (C.):	YES	Written Notices of the Annual General Membership Meeting indicating the location of meeting were sent to the Stockholders in accordance with Article II - STOCKHOLDERS, Section 1 - ANNUAL MEETING and Section 2 -NOTICE OF ANNUAL MEETING. This was uploaded in the Company website - www.strongholdinsurance.com.ph

A.3.14	Does the company allow for voting in absentia?	OECD Principle II (C.): (4) Shareholders should be able to vote in person or in absentia, and equal effect should be given votes whether cast in person or in absentia.	YES	Article II, Section 4 - QUORUM of the Amended by Laws of the Company which is posted in the Company website www.strongholdinsurance.com.ph
A.3.15	Did the company vote by poll (as opposed to by show of hands) for resolutions at the most recent AGM?	OECD Principle II (C.):	YES	The Directors shall be voted by ballot at the Annual Meeting of Stockholders per Article III, Section 2 of the Amended By Laws as indicated in the Minutes of the Annual General Membership meeting uploaded in the Company website www.strongholdinsurance.com.ph .
A.3.16	Does the company disclose that it has appointed an independent party (scrutineers/inspectors) to count and/or validate the votes at the AGM?		N/A	
A.3.17	Does the company make publicly available by the next working day the result of the votes taken during the most recent AGM for all resolutions?	OECD Principle II (C.): (1) Shareholders should be furnished with sufficient and timely information concerning the date, location agenda of general meetings, as well as full timely information regarding the issues to be decided at the meeting	N/A	
A.3.18	Do companies provide at least 21 days notice for all resolutions?		NO	

A.3.19	Does the company provide rationale and explanation for each agenda item which require shareholders' approval in the notice of AGM/ circulars and/or the accompanying statement?	NO	
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A.4	Markets for corporate control should be allowed to function in an efficient and transparent manner.		
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A.4.1	In case of mergers, acquisition and/or takeovers, does the board of directors/ commissioners of the oferee company appoint an independent party to evaluate the fairness of the transaction price?	<p>OECD Principle II (E): Markets for corporate control should be allowed to function in an efficient and transparent manner. (1)The rules and procedures governing the acquisition of corporate governancce control in the capital markets, and extraordinary transactions such as mergers, sales of substantial portions of corporate assets, should be clearly articulated and disclosed so that the investors should occur at transparent prices and under fair conditions that protec the rights of all shareholders according to their class.</p>	DEFAULT	In case of merger, acquisition and/or takeover, this shall be governed by Circular Letter 2015-11 on RULES AND REGULATIONS ON CONSOLIDATION AND MERGER OF INSURANCE COMPANIES in accordance with Title 16, Sections 258 and 437 of the Insurance Code of the Philippines, as Amended, and Title IX of The Corporation Code of the Philippines on Merger and Consolidation.
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A.5	The exercises of the ownership rights by all shareholders, including institutional investors, should be facilitated.		
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A.5.1	Does the company publicly disclose policy/practice to encourage shareholders including institutional shareholders to attend the general meetings or engagement with the company?	OECD Principle II (F): The exercise of ownership rights by all shareholders, including institutional investors, should be facilitated.	YES	Aside from postage mailing of the Notice of Annual General Membership Meeting to the place or residence or business of business as appearing in the books of the Corporation, there is an Announcement of the General Membership meeting uploaded in the Company website www.strongholdinsurance.com.ph
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B Equitable Treatment of Shareholders

B.1 Shares and Voting Rights

B.1.1	Do the company's ordinary or common shares have one to vote for on share?	OECD Principle III (A) All shareholders of the same series of class should be treated equally. (1) Within any series of class, all shares should carry the same rights. All investors should be able to obtain information about the rights attached to all series and classes of shares before they purchase. Any changes in voting rights should be subject to approval by those classes of shares which are negatively affected.	YES	Article II, Section 5 - VOTING of the Amended By-Laws which is uploaded in the Company website www.strongholdinsurance.com.ph
B.1.2	Where the company has more than one class of shares, does the company publicise the voting rights attached to each class of shares (e.g. through the company website / reports / the stock exchange / the regulator's website)?	ICGN 8.3.1 Unequal voting rights Companies ordinary or common shares should features one vote for one share. Divergence from a 'one-share, one-vote' standard which gives certain shareholders power which is disproportionate to their equity ownership should be both	N/A	

B.2 Notice of AGM (Annual General Meeting)				
B.2.1	Does each resolution in the most recent AGM deal with only one item, i.e., there is no bundling of several items into the same resolution?	OECD Principle II (C.) Shareholders should have the opportunity to participate effectively and vote in general shareholders meetings and should be informed of the rules, including voting procedures, that govern shareholders meetings:	N/A	
B.2.2	Are the company's notice of the most recent AGM/circulars fully translated into English and published on the same date as the local-language version?	(1) Shareholders should be furnished with sufficient and timely information concerning the date, location and agenda of general meetings, as well as full and timely information regarding the issues to be decided at the meeting. (3) Effective shareholder participation in key corporate governance decisions, such as the nomination and election of board members, should be facilitated.	YES	Notice of the recent Annual General membership meeting including circulars are fully translated into English and uploaded in the Company website www.strongholdinsurance.com.ph
	<i>Does the notice of AGM/circulars have the following details:</i>			
B.2.3	Are the profiles of directors/commissioners (at least age, qualification, date of first appointment, experience, and directorships in other listed companies) in seeking election/ re-election included?	OECD Principle II (A) All shareholders of the same series of class should be treated equally. (4) Impediments to cross border voting should be eliminated. ICGN 8.3.2 Shareholder participation in governance	N/A	Stronghold Insurance Company, Inc. is not publicly listed. Profiles of Directors are on file with the Company.
B.2.4	Are the auditors seeking appointment/ re-appointment clearly identified?	Shareholders should have the right to participate in key corporate governance decisions, such as the right to nominate, appoint and remove directors in an individual basis and also the right to appoint external auditor. ICGN 8.4.1 Shareholders ownership rights The exercise of ownership rights by all shareholders should be facilitated, including giving shareholders timely and adequate notice of all matters proposed	YES	Article VIII, Section 1 - APPOINTMENT OF AUDITORS of The Amended By-Laws which is uploaded in the Company website www.strongholdinsurance.com.ph A letter of appointment/re-appointment is issued to the appointed auditor.

B.2.5	Has an explanation of the dividend policy been provided?	timely and adequate notice of all matters proposed for shareholders.	YES	Article VII - DIVIDENDS of the Amended By-Laws Article IX - DISTRIBUTION OF NET PROFITS of the Amended By-Laws which is uploaded in the Company website www.strongholdinsurance.com.ph and in concurrence with Section 201 of the Insurance Code of the Philippines, as Amended.
B.2.6	Is the amount payable for final dividends disclosed?		NO	Stronghold Insurance Company, Inc. is not publicly listed.
B.2.7	Were the proxy documents made easily available?		YES	Proxy Form is attached to the Notice sent to the stockholders and a copy is also available in the Company Website www.strongholdinsurance.com.ph

B.3 Insider trading and abusive self-dealing should be prohibited.

B.3.1	Does the company have policies and/or rules prohibiting directors/commissioners and employees to benefit from knowledge which is not generally available to the market?	OECD Principle III (B) Insider trading and abusive dealing should be prohibited ICGN 3.5 Employee share dealing Companies should have clear rules regarding any trading by directors and employees in the company's own securities. Among other issues, these must seek to ensure individuals do not benefit from knowledge which is not generally available to the market.	N/A	Stronghold Insurance Co., Inc. is not publicly listed.
B.3.2	Are the directors and commissioners required to report their dealings in company shares within 3 business days?		N/A	Stronghold Insurance Co., Inc. is not publicly listed.

B.4 Related party transactions by directors and key executives.

B.4.1	Are the directors and commissioners required to disclose their interest in transactions and any other conflicts of interest?	OECD Principle III (C.) Members of the board and key executives should be required to disclose to the board whether they, directly, indirectly or on behalf of third parties, have a material interest in any transaction or matter directly affecting the corporation. ICGN 2.11.1 Related party transactions Companies should have a process for reviewing and monitoring any related party transaction. A committee of independent directors should review significant related party transaction to determine whether they are in the best interests of the company and if so to determine what terms are fair. ICGN 2.11.2 Director conflicts of interest Companies should have a process for identifying and managing conflicts of interest directors may have. If a director has an interest in a matter under consideration by the board, then the director should not participate in those discussions and the board should follow any further.	YES	Related Party Transactions Policy of Stronghold Insurance Co., Inc. www.strongholdinsurance.com.ph
B.4.2	Does the company have a policy requiring a committee of independent directors/commissioners to review material/significant RPTs (Related Party Transaction) to determine whether they are in the best of the company?		YES	Related Party Transactions Policy of Stronghold Insurance Co., Inc. www.strongholdinsurance.com.ph
B.4.3	Does the company have a policy requiring board of members (directors/commissioners) to abstain from participating in the board discussion on a particular agenda when they are conflicted?		YES	Related Party Transactions Policy of Stronghold Insurance Co., Inc. www.strongholdinsurance.com.ph

B.4.4	Does the company have policies on loans to directors and commissioners either forbidding this practice or ensuring that they are being conducted at arm's length basis and at market rates.	YES	Related Party Transactions Policy of Stronghold Insurance Co., Inc. www.strongholdinsurance.com.ph
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B.5 Protecting minority shareholders from abusive actions

B.5.1	Were there any RPT's (Related Party Transaction) that can be classified as financial assistance to entities other than wholly- owned subsidiary companies?	OECD Principle III (A) All shareholders of the same series of class should be treated equally. (2) Minority shareholders should be protected from abusive actions by, or in the interest of controlling shareholders acting either directly or indirectly, and should have effective means of redress.	NONE
B.5.2	Does the company disclose that RPTs are conducted in such a way to ensure that they are the fair and at arms' length?		YES 1. Stronghold Insurance Co., Inc. Related Party Transactions (www.strongholdinsurance.com.ph); 2) Embodied in Note 39 - Related Party Transaction of the 2019 Independent Auditors' Report conducted by I. T. SABADO & ASSOCIATES.

C Role of Stakeholders

C.1 The rights of stakeholders that are established by law or through mutual agreements are to be respected.

	<i>Does the company disclose a policy that :</i>		
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C.1.1	Stipulates the existence and scope of the company's efforts to address customers' welfare?	<p>OECD Principle IV (A): The rights of stakeholders that are established by the law or through mutual agreements are to be respected in all OECD countries, the rights of stakeholders are established by law (e.g. labour, business, commercial and insolvency laws) or by contractual relations. Even in areas where stakeholders interests are not legislated, many firms make additional commitments to stakeholders, and concern over corporate reputation and corporate performance often requires the recognition of broader interests.</p> <p>Global Reporting Initiative: Sustainability Report (C1.1 - C.15) International Accounting Standards 1: Presentation of Financial Statements</p>	<p>Stipulation on the existence and scope of the Company's efforts to address customer's welfare is embodied in "OUR COMMITMENT: We, at Stronghold Insurance Company, Inc., are committed to providing our clients with excellent service characterized by technical expertise, personal efficient processes, and technologically aided processes to bring about speedy and quality service guided by the highest ideals of professionalism and integrity. We aspire to provide non-life insurance service to corporate clients and individuals including the ordinary Filipino family to have a basic insurance protection. We intend to cover the Philippine Market with non-life insurance protection. We intend to cover the Philippine market with non-life insurance lines including Fire, Motor, Marine, Casualty and Suretyship. We highly consider the dignity of every individual in all our activities as a business firm and value-centered</p> <p>YES</p>
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C.1.2	Explains supplier/contractor selection practice?
C.1.3	Describes the company's efforts to ensure that its value chain is environmentally friendly or is consistent with promoting sustainable development?

YES	The Company's practice of supplier/contractor selection is based on the submitted required documents such as Company Profile, SEC/DTI Registration Papers, Business Permit (yearly) and list of clients/customers including the evaluation of performance on a yearly basis.
YES	1. The Company continues to implement energy efficiency measures such as the use of LED lighting, aircon units with inverter including placement of ornamental plants inside office premises and the renovation of our various regional/branch offices to be more customer friendly and a conducive workplace for employees; 2. Provides facility for on-line inquiries,application and payment using our Company website www.strongholdinsurance.com.ph to spare customers from travelling and/or using their vehicles to personally apply for insurance at any of our offices.

C.1.4	Elaborates the company's efforts to interact with the communities in which they operate?	YES	Stronghold Insurance Co., Inc. Community Relations uploaded in Company website www.strongholdinsurance.com.ph . This is in accordance with the Company's Mission, Vision and Commitment.
C.1.5	Directs the company's anti-corruption programmes and procedues?	YES	The Company's policy against anti-corruption (dishonesty and other offenses against Company interest) is governed by the Employee Handbook of Conduct on Measurable Offenses and corresponding sanctions/disciplinary actions are provided in accordance with the provisions of the Labor Code of the Philippines.
C.1.6	Describes how creditors' rights are safeguarded?	YES	Stronghold Insurance Co., Inc. adheres to Circular Letter No. 2016-30 dated 26 May 2016 issued by the Insurance Commission pertaining to the Bill of Rights of Policyholders (Creditors).
<i>Does the company disclose the activities that it has undertaken to implement the above mention policies?</i>			

C.1.7	Customer health and safety	OECD Principle IV (A) & Global Reporting Initiative	YES	<p>Stronghold Insurance Company, Inc.'s commitment to its Customer's Health and Safety by providing 1) motor car comprehensive policy holders are provided with a 24 Hour Roadside Assistance Program thru IBERO ASISTENCIA with a dedicated Telephone Number (02) 8459-4756; b) A checklist of requirements in case of claim is attached to every policy issued; c) Accessible Annex/Regional/Branch Offices since they are located in key cities of the Philippines which can be viewed at our Company website www.strongholdinsurance.com.ph</p>
C.1.8	Supplier/Contractor selection Criteria		YES	<p>Creation of a Procurement Committee per Memorandum Circular No. RIR-001/2015 dated February 18, 2015 for the accreditation of suppliers/contractors and oversee the purchases of all supplies like forms, policies. Computers, etc., and services, among others of the Company effective immediately.</p>

C.1.9	Environmentally-friendly value chain
C.1.10	Interaction with communities
C.1.11	Anti-corruption programmes and procedures

YES	1) The Company continues to implement energy efficiency measures such as the use of LED lighting and the renovation of our various regional/branch offices to be more customer friendly and a conducive workplace for employees; 2) Provides facility for on-line inquiry using the Company website www.strongholdinsurance.com.ph for application and/or payment to spare customers from travelling and/or using their vehicles to personally apply for insurance coverage at the office.
YES	The company maintains a News and Events Section in the Company website www.strongholdinsurance.com.ph where the corporate social responsibility activities can be viewed.
YES	The Company's policy against anti-corruption (dishonesty and other offenses against Company interest) is governed by the Employee Handbook of Conduct with corresponding sanctions/disciplinary actions which are consistent with the provisions of the Labor Code of the Philippines.

C.1.12	Creditors' rights		YES	Stronghold Insurance Co., Inc. adheres to Circular Letter No. 2016-30 dated 26 May 2016 issued by the Insurance Commission pertaining to the Bill of Rights of Policyholders (Creditors) which is placed in picture frame and posted in a conspicuous place in our various offices.
C.1.13	Does the company have a separate corporate responsibility (CR) report/section or sustainability report/section?	<p>OECD Principle IV (A): Disclosure should include, but not limited to, material information on: (7) Issues regarding employees and other stakeholders. Companies are encouraged to provide information on key issues relevant to employees and other stakeholders that may materially affect the long term sustainability of the company</p>	YES	The company maintains a News and Events Section in the Company website www.strongholdinsurance.com.ph where the corporate social responsibility activities can be viewed.

C.2

Where stakeholder interests are protected by law, stakeolders should have the opportunity to obtain effective redress for violation their rights.

C.2.1	Does the company provide contact details via the company's website Annual Report which stakeholders (e.g. customers, suppliers, general public etc.) can use to voice their concerns and/or complaints for possible violation of their rights?	<p>OECD Principle IV (B): Where stakeholder interests are protected by law, stakeholders should have the opportunity to obtain effective redress for violation of their rights. The governance framework and processes should be transparent and not impede the ability of stakeholders to communicate and to obtain redress for the violation of rights.</p>	YES	The stakeholders can access Stronghold Insurance Company Inc.'s website www.strongholdinsurance.com.ph to formally report their concerns and/or complaints for possible violation of their rights.
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C.3		Performance-enhancing mechanisms for employee participation should be permitted to develop.	
C.3.1	Does the company explicitly disclose the health , safety, and welfare policy for its employees?	<p>OECD Principle IV (C.): Performance-enhancing mechanisms for employee participation should be permitted to develop. In the context of corporate governance, performance enhancing mechanisms for participation may benefit companies directly as well as indirectly through the readiness by employees to invest in firm specific skills.</p> <p>- Firm specific skills are those skills/competencies that are related to production technology and/or organizational aspects that are unique to a firm.</p> <p>- Examples of mechanisms for employee participation include: employee representation on boards; and governance processes such as work councils that consider employee viewpoints in certain key decisions. With respect to performance enhancing mechanisms, employee stock ownership plans or other profit sharing.</p>	<p>YES</p> <p>The Company explicitly disclose the health,safety and welfare policies for the employees as provided in Article VII on Medical Examination; Article VIII on Hours of Work and Article XIII on Leave benefits of the Employee Handbook. It provides health card to its employees for medical check-up and hospital confinement on covered sickness based on specified limits. Others are 1) Monthly rice subsidy; 2) Male and Female Office Uniforms given annually; c) Annual Summer Outing including Team Building; d) Personal Accident insurance coverage to all employees; d) Emergency and Educational loans to employees; e) Retirement Plan to qualified employees.</p>
C.3.2	Does the company publish data relating to health, safety and welfare of its employees?		<p>YES</p> <p>Health, safety and welfare of the Company's employees are indicated in the Employee Handbook of Conduct which are given to the employees once employed.</p>

C.3.3	Does the company have training and development programmes for its employees?
C.3.4	Does the company publish data on training and development programmes for its employees?

YES	The Company adheres to the Mission, Vision and Commitment by continuously strengthening the leadership and management succession program through trainings and seminars. It provides opportunities to its employees to broaden their knowledge on technical, self-development and leadership skills by allowing them to attend trainings and development programs, local and abroad at company's expense. It also provides in-house training programs to newly hired employees and specific job training courses.
YES	Thru letters/circulars/invitation memos coming from the various training providers such as Insurance Institute for Asia and the Pacific, East Asia Insurance Congress, Insurance School of Japan, Bureau of Internal Revenue, Social Security System, Philhealth which are routed to the various Department Heads to recommend employees whom they want to attend the seminar/courses.

C.3.5	Does the company have a reward/compensation policy that accounts for the performance of the company beyond short term financial measures.		YES	a) Loyalty Award to employees; b) Yearly incentive bonus given to Top 3 producing Regional/Branch Offices of the Company, c) Performance award based on set criteria such as attendance and punctuality.
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C.4

Stakeholders including individual employee and their representative bodies, should be able to freely communicate their concerns about illegal or unethical practices to the board and their rights should not be compromised for doing this.

C.4.1	Does the company have procedures for complaints by employees concerning illegal (including corruption) and unethical behaviour?		YES	An employee/stakeholder can submit his formal complaint on a sealed envelope to: STRONGHOLD INSURANCE CO., INC. 17th Floor Security Bank Building Ayala Avenue, Makati City Attention: The Legal Counsel Once the complaint is received, the process of investigation up to the imposition of the corresponding disciplinary action, if found guilty, shall be in accordance with the Company's Employee Handbook of Conduct in accordance with the applicable provisions of the Labor Code of the Philippines.
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C.4.2	Does the company have a policy or procedures to protect an employee/person who reveals illegal/unethical behavior from retaliation?		YES	It is the intention of Management to safeguard the identity of the person who reported the alleged irregularity or illegal/unethical behavior by concealing his identity in order to prevent any reprisal from the person who is being accused of the irregularity.
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D Disclosure and Transparency

D.1 Transparent ownership structure

D.1.1	Does the information on shareholdings reveal the identity of beneficial owners, holding 5% shareholding or more?	<p>OECD Principle V: Disclosure and Transparency (A) Disclosure should include, but not limited to, material information on: (3) Major share ownership and voting rights, including group structures, intra-group relations, ownership data and beneficial ownersip. ICGN 7.6 Disclosure of ownership ...the disclosure should include a description of the relationship of the company to other companies in the corporate group, data on major shareholders and any other information necessary for a proper understanding of the company's relationship with its public shareholders.</p>	YES	Submitted General Information Sheet to SEC reveal the identity of beneficial owners holding 5% or more shareholdings.
D.1.2	Does the company disclose the direct and indirect (deemed) shareholdings of major and/or substantial shareholders?		YES	Submitted General Information Sheet to SEC disclose the direct and indirect (deemed) shareholdings of major and/or substantial shareholders.
D.1.3	Does the company disclose the direct and indirect (deemed) shareholdings of directors (commissioners)		YES	Submitted General Information Sheet to SEC disclose the direct and indirect (deemed) shareholdings of directors.
D.1.4	Does the company disclose the direct and indirect (deemed) shareholdings of senior management?		YES	Submitted General Information Sheet to SEC disclose the direct and indirect (deemed) shareholdings of senior management.
D.1.5	Does the company disclose details of subsidiaries, associates, joint ventures and special purpose enterprises/ vehicles (SPEs)/(SPVs)		N/A	The Company does not have subsidiaries, associates, joint ventures and special purpose enterprises.

D.2 Quality of Annual Report				
	<i>Does the company's annual report disclose the following items:</i>			
D.2.1	Key risks 4-5	<p>"OECD Principle V (A): (1)The financial operating results of the company; (2)Company objectives, including ethics, environment, and other public policy commitments; (3)Major share ownership and voting rights, including group structures, intra-group relations, ownership data, beneficial ownership; (4)Remuneration policy for members of the board and executives, including their qualifications, the selection process, other company directorships and whether they are regarded as independent by the board; (6)Foreseeable risk factors, including risk management system; (7)Issues regarding employees and other stakeholders; (8)Governance structure and policies, in particular, the content of any corporate governance code or policy and the process by which it is implemented.</p> <p>OECD Principle V (E): Channels for disseminating information should provide for equal, timely and cost-efficient access to relevant information by users.</p> <p>ICGN 2.4 Competition and structure of the board</p> <p>OECD Principle V (A) (8)</p> <p>UK CODE (June 2010) : Listings Rules 9.8.6 R (for UK incorporated companies) and 9.8.7 R (foroverseas incorporated companies) state that</p>	YES	Embodied in Note 38 - MANAGEMENT OF INSURANCE AND FINANCIAL RISKS o f Stronghold Insurance Company, Inc.'s 2019 Audited Financial Statement
D.2.2	Corporate objectives underwriting risk		DEFAULT	
D.2.3	Financial performance indicators		DEFAULT	
D.2.4	Non-financial performance indicators		DEFAULT	
D.2.5	Dividend policy		DEFAULT	

D.2.6	Details of whistle-blowing policy	<p>in case of a company that has a Premium listing of equity shares, the following items must be included in its Annual Report and accounts: a statement of how the listed company has applied the Main Principles set out in the UK CG Code, in a manner that would enable shareholders to evaluate how the principles have been applied; a statement as to whether the listed company has complied throughout the accounting period with all relevant provisions set out in the UK CG Code, and if so, setting out, (i) those provisions, if any, it has not complied with; (ii) in the case of provisions whose requirements are of a continuing nature, the period within which, if any it did not comply with some or all of those provisions; and (iii) the company's reasons for non-compliance</p> <p>ASX CODE:</p>	DEFAULT	
D.2.7	Biographical details (at least age, qualifications, date of first appointment, relevant experience, and any other directorships of listed companies) of directors/commissioners.	Under ASX Listing Rule 4.10.3, companies are required to provide a statement in their Annual Report disclosing the extent to which they have followed the Recommendations in the reporting period. Where companies have not followed all the Recommendations, they must identify the Recommendations that have not been followed and give reasons for not following them.	DEFAULT	
D.2.8	Training and/or continuing education programme attended by each director/commissioner		DEFAULT	
D.2.9	Number of board of directors/commissioner in respect of meetings held during the year.		DEFAULT	

D.2.10	Attendance details of each director/commissioner in respect of meetings held		DEFAULT	
D.2.11	Details of remuneration of the CEO and each member of the board of directors/commissioners		N/A	
	Corporate Governance Confirmation Statement			
D.2.12	Does the Annual Report contain a statement confirming the company's <u>full</u> compliance with the code of corporate governance and where there is non-compliance, identify and explain reasons for each such issue?		NO	

D.3 Disclosure of related party transactions (RPT)

D.3.1	Does the company disclose its policy covering the review and approval of material/significant RPTs?	OECD Principle V : Disclosure and Transparency (A) Disclosure should include, but not limited to, material information on: (5) Related party transactions ICGN 2.11.1 Related Party Transactions The company should disclose details of all material related party transactions in its Annual Report.	YES	Related Party Transactions Policy of Stronghold Insurance Co., Inc. www.strongholdinsurance.com.ph
D.3.2	Does the company disclose the name of related party and relationship for each material/significant RPT?		YES	Related Party Transactions Policy of Stronghold Insurance Co., Inc. www.strongholdinsurance.com.ph
D.3.3	Does the company disclose the nature and value for each material/significant RPT?		YES	Related Party Transactions Policy of Stronghold Insurance Co., Inc. www.strongholdinsurance.com.ph

D.4 Directors and commissioners dealings in shares of the company				
D.4.1	Does the company disclose trading in the company's shares by insiders?	<p>OECD Principle V (A): (3)Major share ownership and voting rights</p> <p>ICGN 3.5 Employee share dealing Companies should have clear rules regarding any trading by directors and employees in the company's own securities.</p> <p>ICGN 5.5 Share Ownership Every company should have and disclose a policy concerning ownership of shares of the company by senior managers and executive directors with the objective of aligning the interests of these key executives with those</p>	N/A	

D.5 External auditor and Auditor Report				
D.5.1	Are audit fees disclosed?	<p>OECD Principle V (C.): An annual audit should be conducted by an independent, competent and qualified, auditor in order to provide an external and objective assurance to the board and shareholders that the financial statements fairly represents the financial position and performance of the company in all material aspects.</p>	YES	Specified in the Contract
	<i>Where the same audit firm is engaged for both audit and non-audit services,</i>			
D.5.2	Are the non-audit fees disclosed?		N/A	
D.5.3	Does the non-audit fees exceed the audit fees?		N/A	

D.6 Medium of communications				
<i>Does the company use the following modes of communication?</i>				
D.6.1	Quarterly Reporting	<p>OECD Principle V (E): Channels for disseminating information should provide for equal, timely and cost-efficient access to relevant information by users.</p>	N/A	
D.6.2	Company website		YES	www.strongholdinsurance.com.ph
D.6.3	Analyst's briefing		N/A	

D.6.4	Media briefings/ press conferences		N/A	
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D.7 Timely filing/release of annual/financial reports				
D.7.1	Is the audited annual financial report released within 120 days from the financial year end?	OECD Principle V (C.) OECD Principle V (E) OECD Principle V-(A). ICGN 7.2 Timely Disclosure ICGN 7.3 Affirmation of financial statements The board of directors and the corporate officers of the company should affirm atleast annually the accuracy of the company's financial statements or financial accounts.	YES	
D.7.2	Is the audited annual financial report released within 90 days from the financial year end?		NO	
D.7.3	Is the tru and fairness/fair representation of the annual financial statement/ reports affirmed by the board of directors/commissioners and/or the relevant officers of the company?		YES	2019 Audited Financial Statement of Management's Responsibility For Financial Statement.

D.8 Company website				
	<i>Does the company website disclosing up-to-date information on the following:</i>			
D.8.1	Business operation	OECD Principle V (A)	YES	www.strongholdinsurance.com.ph
D.8.2	Financial statements/reports(current and prior years)		OECD Principle V (E)	YES
D.8.3	Materialas provided in briefings to analyst and media	ICGN 7.1 Transparent and open communication	N/A	
D.8.4	Shareholding structure		ICGN 7.2 Timely disclosure	YES
D.8.5	Group corporate structure		YES	www.strongholdinsurance.com.ph
D.8.6	Downloadable annual report		N/A	
D.8.7	Notice of AGM and/oe EGM		YES	www.strongholdinsurance.com.ph
D.8.8	Minutes of AGM and/or EGM		YES	www.strongholdinsurance.com.ph

D.8.9	Company constitution (company's by-laws, memorandum and articles of association)		YES	www.strongholdinsurance.com.ph
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D.9 Investor relations				
D.9.1	Does the company disclose the contact details (e.g. telephone, fax, and email) of the officer responsible for investor relations?	ICGN 7.1 Transparent and open communication	YES	Monthly report submitted to Insurance Commission in accordance with Title 4, Section 215 on Investment of the Insurance Code of the Philippines, as amended.

E. Responsibilities of the Board				
E.1	<i>Clearly defined board responsibilities and corporate governance policy.</i>			
E.1.1	Does the company disclosed its corporate governance policy / board charter?	OECD Principle V : Disclosure and transparency (A)Disclosure should include, but not be limited to, material information on: 8. Governance structures and policies, in particular, the content of any corpoarte governance code or policy and the process by which it is implemented.	YES	Stronghold Insurance Co., Inc. Corporate Governance Policy Manual (www.strongholdinsurance.com.ph)
E.1.2	Are the type of decisions requiring board of directors/commissioners' approval disclosed?		YES	Stronghold Insurance Co., Inc. Corporate Governance Policy Manual [Item VIII, Sub Section 1.3) which is uploaded in the Company website www.strongholdinsurance.com.ph

E.1.3	Are the roles and responsibilities of the board of directors/commissioners clearly stated?	OECD PRINCIPLE VI (D)	YES	Stronghold Insurance Co., Inc. Corporate Governance Policy Manual [Item VIII) which is uploaded in the Company website www.strongholdinsurance.com.ph
Corporate Vision/Mission				
E.1.4	Does the company have a vision and mission statement?	<p>OECD Principle 6 (P58) ICGN :3.2 Integrity ICGN :3.2 Integrity The board is responsible for overseeing the implementation and maintenance of a culture integrity. The board should encourage a culture of integrity permeating all aspects of the co., and secure that its vision, mission and objectives are ethically sound.</p>	YES	<p>OUR MISSION - We are committed to be reputable preferred non-life insurance company, providing excellent protection and services with innovative and responsive insurance products consistent with our social responsibility and participation in the economic growth of our nation. We shall foster harmonious and mutually beneficial relationships with our intermediaries.</p> <p>OUR VISION - We envision to be the most highly regarded non-life insurance provider ready to meet the challenges of a globalized market consistent with good business practices and corporate governance. Uploaded in the Company website www.strongholdinsurance.com.ph</p>

E.1.5	Has the board review the vision and mission/strategy in the last financial year?		DEFAULT	
E.1.6	Does the board of directors monitor/oversee the implementation of the corporate strategy?		YES	Thru the Executive Committee - Stronghold Insurance Co., Inc. Corporate Governance Policy Manual [Item VIII, Sub Section 1.3) which is uploaded in the Company website www.strongholdinsurance.com.ph

E.2 Board Structure				
<i>Code of Ethics</i>				
E.2.1	Are the details of the code of ethics or conduct disclosed?	OECD Principle VI (C.) The board should apply high ethical standards. It should take into account the interests of stakeholders. The board has a key role in setting the ethical tone of a company, not only by its own actions, but also in appointing and overseeing key executives and consequently the management in general. High ethical standards are in the long term interests of the company as means to make it credible and trustworthy, not only in day to day operations but also with respect to longer term commitments. To make the objectives of the board clear and operational, many companies have found it useful to develop company codes of conduct based on, inter alia, professional standards and sometimes broader codes of behaviour. The latter might include a	YES	Stronghold Insurance Co., Inc. Employee Handbook of Conduct includes the policies on business conduct and discipline affecting Senior Management and employees.
E.2.2	Does the company disclosed that all directors/commissioners, senior management and employees are required to comply with the code?		YES	Stated in the General Guidelines of the Company's Employee Handbook of Conduct which is furnished to every employee (page 8).
E.2.3	Does the company disclosed how it implements and monitors compliance with the code of ethics or conduct?		YES	Employee Handbook of Conduct On Company Rules of Conduct (page 39)
<i>Board Structure & Composition</i>				

E.2.4	Do independent, non-executive directors/commissioners number at least three and make up more than 50% of the board of directors/commissioners?	<p>OECD Principle VI (E) In order to exercise its duties of monitoring managerial performance, preventing conflicts of interest and balancing competing demands on the corporation, it is essential that the board is able to exercise objective judgement. In the first instance this will mean independence and objectivity with respect to management with important implications for the composition and structure of the board. Board independence in these circumstances usually requires that a sufficient number of board members will need to be independent of management. ASX Code recommends at least a majority of independent directors, while the UK Code recommends at least half of the board, excluding the Chairman, be independent directors. The minimum of three independent directors is to ensure that companies with small boards have enough independent directors (note that the stock exchange rules often require at least two independent directors)</p>	DEFAULT	There are three (3) Independent Directors sitting in the Board but not comprising more than 50% of the Board of Directors.
E.2.5	Are the independent directors/commissioners independent of management and major/ substantial shareholders?	<p>OECD Principle VI (E) In order to exercise its duties of monitoring managerial performance, preventing conflicts of interest and balancing competing demands on the corporation, it is essential that the board is able to exercise objective judgement. In the first instance this will mean independence and objectivity with respect to management with important implications</p>	YES	Item VIII, Sub section 1.6 of the Corporate Governance Policy Manual which is uploaded in the Company website www.strongholdinsurance.com.ph

E.2.6	Does the company have a term limit of nine years or less for its independent directors/commissioners?	for the composition and structure of the board. Board independence in these circumstances usually requires that a sufficient number of board members will need to be independent of management. UK CODE (June 2010): Non-executive directors should be appointed for specified terms subject to re-election and to statutory provisions relating to the removal of a director. Any term beyond six years of non-executive director should be subject to particularly rigorous review, and should be taken into account the need for progressive refreshing of the board and to succession for appointments to the board and to senior management, so as to maintain an appropriate balance of skills and experience within the company and on the board.	YES	Item VIII, Sub section 1.8 of the Corporate Governance Policy Manual which is uploaded in the Company website www.strongholdinsurance.com.ph
E.2.7	Has the company set a limit of five board seats in publicly-listed companies that an individual directors/commissioner may hold simultaneously?		N/A	
E.2.8	Does the company have any independent directors/commissioners who serve on more than five boards of publicly-listed companies?	OECD Principle VI (E) (3) Board members should be able to commit themselves effectively to their responsibilities. Service on too many boards can interfere with the performance of the board members. Companies may wish to consider whether multiple board memberships by the same person are compatible with effective board performance and disclose the information to shareholders.	NONE	
E.2.9	Does the company have any executive directors who serve on more than two boards of listed companies outside the group?		NONE	
Nominating Committee				

E.2.10	Does the company have a Nominating Committee (NC)?	OECD Principle II (C.) (3)Effective shareholder participation in key corporate governance decisions, such as the nomination and election of board members, should be facilitated. Shareholders should be able to make their views known on the remuneration policy for the board members and key executives. The equity component of compensation schemes for board members and employees should be subject to shareholders approval. With respect to nomination of candidates, boards in many companies have established Nominating Committee to ensure proper compliance with	YES	The Nominating Committee has been consolidated with the Corporate Governance Committee. Please see Corporate Governance Policy Manual Item VIII, Subsection 2.2. Uploaded in the Company website www.strongholdinsurance.com.ph
E.2.11	Does the Nominating Committee comprise of a majority of independent directors/commissioners?		NO	One of the three Independent Directors acts as the Chairman of the Corporate Governance Committee
E.2.12	Is the chairman of the Nominating Committee an independent director/commissioner?	This items is in most codes of corporate governance.	YES	The Chairman of the Corporate Governance Committee, Mrs. Sonia M. Roco, is an Independent Director
E.2.13	Does the company disclosed the terms of reference/ governance structure/charter of the Nominating Committee?	OECD Principle VI (E) (2)When committees of the board established, their mandate composition aand working procedures should be well defined and disclosed by the board. While the use of committees may improve the work of the board they may also raise questions about the collective responsibility of the board and of individual board members. In order to evaluate the merits of board committees it is therefore important that the market receives a full and clear	YES	Stronghold Insurance Company, Inc. Corporate Governance Policy Manual (Item VIII, Subsection 2.2.) uploaded in the Company website www.strongholdinsurance.com.ph
E.2.14	Did the Nominating Committee meet at least twice during the year?		DEFAULT	Creation of the Corporate Governance Committee was approved only on June 15, 2020 hence no meetings have been held.

E.2.15	Is the attendance of members at at Nominating Committee meetings disclosed?	picture of their purpose, duties and composition. Such information is particularly important in an increasing number of jurisdictions where	DEFAULT	Please see Item E.2.14
Remuneration Committee/ Compensation Committee			YES	Minutes of the Board meeting
E.2.16	Does the company have a Remuneration Committee?	OECD Principle VI (D) (4)Aligning key executive and board remuneration with the longer term interests of the company and its shareholders. It is considered good practice in an increasing number of countries that remuneration policy and employment contracts for board members and key executives be handled by a special committee of the board comprising either wholly or majority of independent directors. There also calls for a Remuneration Committee that excludes executives that serve on each others' Remuneration Committees, which could lead to conflicts of interest.	YES	The Remuneration Committee has been consolidated with the Corporate Governance Committee. Please see Corporate Governance Policy Manual Item VIII, Subsection 2.2. Uploaded in the Company website www.stronghold insurance.com.ph
E.2.17	Does the Remuneration Committee comprise of a majority of independent directors/commissioners?		NO	One of the three Independent Directors sits in the Corporate Governance Committee .
E.2.18	Is the chairman of the Remuneration Committee an independent director/commissioners?		YES	The Chairman of the Corporate Governance Committee, Mrs. Sonia M. Roco, is an Independent Director
E.2.19	Does the company disclose the terms of reference/ governance structure/ charter of the Remuneration Committee meetings held?	OECD Principle VI (E.) (2)When committees of the board are established, their mandate, composition and working procedures should be well defined and disclosed by the board. While the use of committees may improve the work	YES	Stronghold Insurance Company, Inc. Corporate Governance Policy Manual (Item VIII, Subsection 2.2.) uploaded in the Company website www.strongholdinsurance.com.ph

E.2.20	Did the Remuneration Committee meet atleast twice during the year?	while the use of committees may improve the work of the board they may also raise questions about the collective responsibility of the board and of individual board members in order to evaluate the merits of the board committees it is therefore important that the market receives full and clear picture of their purpose, duties and composition. Such information is particularly important in an increasing number of jurisdictions where boards are establishing independent Audit Committees with powers to oversee the relationship with the external auditor and to act in to many cases independently. Other such committees include	DEFAULT	Creation of the Corporate Governance Committee was approved only on June 16, 2020 hence no meetings have been held.
E.2.21	Is the attendance of members at Remuneration Committee meetings disclosed?		DEFAULT	Please see Item E.2.20
Audit Committee				
E.2.22	Does the company have an Audit Committee?	OECD Principle VI (E.) (1)Boards should be consider assigning a sufficient number of non-executive board members capable of exerising independent judgement to tasks where there is potential for conflict of interest. Examples of such key responsibilities are ensuring the integrity of financial and non financial and non-financial reporting, the review of related party transactions, nomination of the board members and key executives, and board remuneration.	YES	Stronghold Insurance Co., Inc. Corporate Governance Policy Manual Item VIII, Subsection 2.3. which is uploaded in the Company website www.strongholdinsurance.com.ph

E.2.23	Does the Audit Committee comprise entirely of non-executive directors/commissioners with a majority of independent directors/commissioners?	<p>OECD Principle VI (E.)</p> <p>(2)When committees of the board established, their mandate, composition and working procedures should be well defined and disclosed by the board. While the use of committees may improve may improve the work of the board they may also raise questions about the collective responsibility of the board and of individual board members. In order to evaluate the merits of the board committees it is therefore important that the marketer receives a full and clear picture of their purpose, duties and composition. Such information is particularly important in the increasing number of jurisdictions where boards are establishing independent Auditing Committee with powers to oversee the relationship with the external auditor and to act in many cases independently. Other such committees include those dealing with nomination and compensation. The accountability of the rest of the board and the board as a whole should be clear. Disclosure should not extend to committees set up to deal with, for example, confidential commercial transactions.</p>	NO	One of the three Independent Directors sits in the Audit Committee.
E.2.24	Is the chairman of the Audit Committee an independent director/commissioners?		YES	The Chairman of the Audit Committee, Mr. Edmund V. Saiyo, is an Independent Director
E.2.25	Does the company disclose the terms of reference/governance structure/charter of the Audit Committee?		YES	Stronghold Insurance Company, Inc. Corporate Governance Policy Manual (Item VIII, Subsection 2.3.) uploaded in the Company website www.strongholdinsurance.com.ph

E.2.26	Does the Annual Report disclose the profile or qualifications of the Audit Committee members?	Most codes specify the need for accounting/finance expertise or experience.	DEFAULT	
E.2.27	Does at least one of the independent directors/commissioners of the committee have accounting expertise (accounting qualification or experience?)	UK CODE (JUNE 2010) C.3.1. The board should satisfy itself that at least one member of the Audit Committee has recent and relevant financial experience. As many of the key responsibilities of the Audit Committee are accounting related, such as oversight of financial reporting and audits, it is important to have someone specifically with accounting expertise, not just general financial expertise.	DEFAULT	
E.2.28	Did the Audit Committee meet atleast four times during the year?		DEFAULT	Creation of the Audit Committee was approved only on June 15, 2020 hence no meetings have been held.
E.2.29	Is the attendance of members at Audit Committee meetings disclosed?		DEFAULT	Creation of the Audit Committee was approved only on June 15, 2020 hence no meetings have been held.
E.2.30	Does the Audit Committee have primary responsibility for recommendation on the appointment, re-appointment and removal of external auditor?	UK CODE (JUNE 2010) C.3.6. The Audit Committee should have primary responsibility for making a recommendation on the appointment, reappointment and removal of the external auditor. If the board does not accept the Audit Committee's recommendation, it should include in the Annual Report, and in any papers recommending appointments or re-appointment, a statement from the Audit Committee explaining the recommendation and should set out reasons why the board has taken a different position.	DEFAULT	

E.3	Board Processes
	<i>Board meetings and attendance</i>

E.3.1	Are the board of directors/commissioners meetings scheduled before or at the beginning of the year?	Scheduling board meetings before or at the beginning of the year would allow directors to plan ahead to attend such meetings, thereby helping to maximise participation, especially as non-executive directors often have other commitments. Additional ad hoc meetings can always be scheduled if and when necessary. It is common practice for board in developed markets to scheduled meetings in this way.	YES	Article III, Section 6 - MEETING: Regular meeting of the the Board of Directors shall be held on the second Friday of each month, if not a legal holiday, and if a legal holiday, then on the succeeding day not a holiday. No notice shall be required for any such monthly regular meeting of the Board.
E.3.2	Does the board of directors/commissioners meet at least six times per year?	WORLD BANK PRINCIPLE 6 (VI.I.24) Does the board meet atleast six time per year? INDO SCORED E.10 How many meetings were held in the past year? If the board met more than six times, the firm earns a 'Y' score. If four to six meetings, the firm was scored as 'fair', while less than four times was scored as 'N'	YES	Minutes of the Meeting of the Board.
E.3.3	Has each of the directors/commissioners attended at least 75% of all board meetings held during the year.	OECD PRINCIPLE VI (E.) (3) Board members should be able to commit themselves effectively to their responsibilities. Specific limitations may be less important than ensuring that members of the board enjoy legitimacy and confidence in the eyes of shareholders. Achieving legitimacy would also be facilitated by the publication of attendance records for individual board members (e.g. whether they have missed a significant number of meetings) and any other work undertaken on behalf of the board and the associated remuneration.	YES	Minutes of the Meeting of the Board.

E.3.4	Does the company require a minimum quorum of at least 2/3 for the Board decisions?	WORLD BANK PRINCIPLE 6 (VI.I.28) Is there a minimum quorum of at least 2/3 for board decisions to be valid?	DEFAULT	ARTICLE III, Section 7 - QUORUM of the Amended By-Laws - Four directors shall be necessary to constitute a quorum, but if there is less than a quorum of the Board, a majority of those present may adjourn the meeting from time to time, until a quorum is constituted.
E.3.5	Did the non-executive directors/commissioners of the company meet separately at least once during the year without any executive present.	WORLD BANK PRINCIPLE 6 (VI.E.1.6) Does the corporate governance framework requires or encourages boards to conduct executive sessions?	NO	
<i>Access to Information</i>				

E.3.6	Are board papers for board of directors/commissioners meetings provided to the board at least five days in advance of the board meeting.	<p>OECD PRINCIPLE VI (F)In order to fulfil their responsibilities, board members should have access to accurate, relevant and timely information. Board members require relevant information on a timely basis in order to support their decision-making. Non-executive board members do not typically have the same access to information as key managers within the company. The contributions of non executive board members to the company can be enhanced by providing access to certain key managers within the company such as, for example, the company secretary and the internal auditor, and recourse to independent external advice at the expense of the company. In order to fulfiltheir responsibilities, board members should ensure that they obtain accurate, relevant and timely information.</p> <p>WORLDBANK PRINCIPLE 6 (VI.F.2)Does such information need to be provided to the board at least five business days in advance of the board meeting?</p>	NO	
E.3.7	Does the company secretary play a significant role in supporting the board in discharging its responsibilities?	<p>OECD PRINCIPLE VI (F) ICSA Guidance on the Corporate Governance Role of the Company Secretary</p>	YES	Stronghold Insurance Co., Inc. Corporate Governance Policy Manual Item VIII, Section 3.4. - THE CORPORATE SECRETARY of The Amended By-Laws which is uploaded in the Company website www.strongholdinsurance.com.ph
E.3.8	Is the company secretary trained in legal, accountancy or company secretarial practices?	<p>WORLDBANK PRINCIPLE (C.) (3) (VI.D.2.12) Do company boards have a professional and qualified company secretary?</p>	YES	The Company (Corporate) Secretary is trained in legal since he is a member of the Bar.

Board Appointments and Re-Election

E.3.9	Does the company disclose the the <u>criteria used</u> in <u>selecting</u> new directors/commissioners?	<p>OECD PRINCIPLE II (C.) (3) To further improve the selection process, the Principles also call for full disclosure of the experience and background of candidates for the board and the nomination process, which will allow an informed assessment of the abilities and suitability of each candidate.</p> <p>OECD Principle VI (D) (5) Ensuring a formal and transparent board nomination and election process. These Principles promote an active role for shareholders in the nomination and election of board members. The board has an essential role to play in ensuring that this and other aspects of the nominations and elections process are respected. First, while actual procedures are transparent and respected. Second, the board has a key role identifying potential members for the board with the appropriate knowledge, competencies and expertise to compliment the existing skills of the board and thereby improve its value-adding potential for the company. In several countries there are calls for an open search process extending to broad range of people.</p>	YES	Stronghold Insurance Co., Inc. Corporate Governance Policy Manual Item VIII, Subsections 1.4., 1.5., 1.6. and 1.7 which is uploaded in the Company website www.strongholdinsurance.com.ph
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E.3.10	Does the company disclose the <u>process followed in appointing</u> new directors/commissioners?	<p>ICGN: 2.9.1 Election of directors: Directors should be conscious of their accountability to shareholders, and many jurisdictions have mechanisms to ensure that this is in place on an ongoing basis. There are some markets however.</p>	YES	Article II, Sections 1, 4, 5, 6, 7, 9 and 10 of the Amended By-Laws which is uploaded in the Company website www.strongholdinsurance.com.ph
E.3.11	Are all the directors/commissioners subject to re-election at least once every three years?	<p>ICGN: 2.9.1 Election of directors: Directors should be conscious of their accountability to shareholders, and many jurisdictions have mechanisms to ensure that this is in place on an ongoing basis. There are some markets however where such accountability is less apparent and in these each director should stand for election on an annual basis. Elsewhere directors should stand for election at least once every three years, though they should face evaluation more frequently.</p> <p>WORLDBANK PRINCIPLE 6 (VI.I.18) Can the re-election of board members be staggered over time? (Staggered boards are those where only a part of the board is re-elected at each election, e.g. only 1/3 of directors are re-elected every year.</p>	DEFAULT	1. Article III, Sections 3, 4 and 5 of the Amended By-Laws; 2. Item VIII, Section 1.8 of the Corporate Governance Policy Manual which is uploaded in the Company website www.strongholdinsurance.com.ph
Remuneration Matters				

E.3.12	Does the company disclose its remuneration (fees, allowances, benefit-in-kind and other emoluments) policy (i.e. the use of short term incentives and performance measures) for its executive directors and CEO?	<p>OECD PRINCIPLE VI (D) (4)Aligning key executive and board remuneration with longer term interests of the company and its shoulders.</p> <p>In an increasing number of countries it is regarded as good practice for boards and develop to disclose a remuneration policy statement covering board members and key executives. Such policy statement specify the relationship between remuneration and performance, and include measurable standards that emphasize the longer run interests of the company over short term considerations. Policy statements generally tend to sets conditions for payment to board members for extra-board activities, as such consulting. They also often specify terms to be observed by board members and key executives about holding and trading stock of the company, and the procedures to be followed in granting and re-pricing of options. In some countries, policy also covers the payments to be made when terminating the contract of an executive.</p>	YES	Stronghold Insurance Co.,Inc. Corporate Governance Policy Manual Item VIII, Subsection 1.11. which is uploaded in Company website www.strongholdinsurance.com.ph
E.3.13	Is there disclosure of the fee structure for non-executive directors/commissioners?	<p>UK CODE (JUNE 2010) D.1.3. Levels of remuneration for non-executive directors should reflect the time commitment and responsibilities of the role.</p> <p>Disclosure of fee structure for non-executive directors allows shareholders to assess if these directors are remunerated in an appropriate manner, for example, whether they are paid for taking on additional responsibilities and contributions, such as chairing committees.</p>	YES	Stronghold Insurance Co.,Inc. Corporate Governance Policy Manual Item VIII, Subsection 1.11. which is uploaded in Company website www.strongholdinsurance.com.ph

E.3.14	Do the shareholders or Board of Directors approve the remuneration of the executive directors and/or the senior executives?	<p>OECD PRINCIPLE VI. (D.4) The Board should fulfil certain key functions including aligning key executive and board remuneration with the longer term interests of the company and its shareholders.</p> <p>ICGN 2.3(D) and (E) D. Selecting, remunerating, monitoring and where necessary replacing key executives and overseeing succession planning. E. Aligning key executives and Board remuneration with the longer term</p>	YES	<p>1) Article XII, Section 2 of Stronghold Insurance Co., Inc. Amended By-Laws; 2) Item VIII, Subsection 1.11 of Stronghold Insurance Co., Inc. Corporate Governance Policy Manual. Uploaded in Company website www.strongholdinsurance.com.ph</p>
E.3.15	Do independent non-executive directors/commissioners receive stock option, performance shares or bonuses?	<p>UK CODE (JUNE 2010) (D.1.3.) Levels of remuneration for non-executive directors should reflect the time commitment and responsibilities of the role. Remuneration for non-executive directors should not include share options or other</p>	NO	
Internal Audit				

E.3.16	Does the company have a separate internal audit function?	<p>OCED Principle VI (D) (7)Ensuring the integrity of the corporation's accounting and financial reporting systems, including the independent audit, and that appropriate systems control are in place, in particular, systems for risk management, financial and operational control, and compliance with the law and relevant standards. Ensuring the integrity of the essential reporting and monitoring systems will require the board to set and enforce clear lines of responsibility and accountability throughout the organisation. The board will also need to ensure that there is appropriate oversight bysenior management. One way of doing this is through an internal audit system directly reporting to the</p>	YES	Stronghold Insurance Co.,Inc. Corporate Governance Policy Manual Item VIII, Subsection 3.8. which is uploaded in Company website www.strongholdinsurance.com.ph
E.3.17	Is the head of internal audit identified or, if outsourced, is the name of the external firm disclosed?	<p>Companies often disclose that they have an internal audit but, in practice, it is not uncommon for it to exist more in form than in substance. For example, the in-house internal audit may be assigned to someone with other operational responsibilities. As internal audit is unregulated, unlike external audit, there are firms providing outsourced internal audit services which are not properly qualified to do so. Making the identity of the head of internal audit or the external service provider public would provide some level of safeguard that the internal audit is substantive.</p>	DEFAULT	In-house internal Auditor

E.3.18	Does the appointment and removal of the internal auditor require the approval of the Audit Committee?	<p>OECD Principle VI (D) (7) In some jurisdictions it is considered good practice for the internal auditors to report independent Audit Committee of the board or an equivalent body which is also responsible for managing the relationship with the external auditor, thereby allowing a coordinated response by the board.</p> <p>WORLDBANK PRINCIPLE 6 (VI.D.7.9) Does the internal auditors hve direct and unfettered access to the board of directors and its independent Audit Committee?</p> <p>ASX Principles on CG "...companies should consider the second reporting line from the internal audit function to the board or relevant committee. "Under the ASX Principles it is also recommended that the Audit Committee have access to internal audit without the presence of management, and that "the audit committee should recommend to the board the appointment and dismissal of a chief internal audit executive."</p>	DEFAULT	
Risk Oversight				
E.3.19	Does the company disclose the internal control procedures/risk management systems it has in place?	<p>OECD PRINCIPLE 6 (VI) (D) (7) Ensuring the integrity of the corporation's accounting and financial reporting systems, including the independent audit and that the appropriate sytems of control are in place, in particular, systems for risk management, financial and operational control, and compliance with the law and relevant standards.</p>	YES	Note 38 - Management of insurance and financial risks of the 2019 Audited Financial Statement

E.3.20	Does the Annual Report disclose that the board of directors/commissioners has conducted a review of the company's material controls (including operational, financial and compliance controls) and risk management systems?	UK CODE (JUNE 2010) C.2.1 The board should, at least annually, conduct a review of the effectiveness of the company's risk management and internal control systems and should report to shareholders that they have done so. The review should cover all material control, including financial, operational and compliance controls.	NO	
E.3.21	Does the company disclose how key risks are managed?	OECD PRINCIPLE V (A) (6)Foreseeable risk factors. Disclosure of risk is most effective whenit is tailored to the particular industry in question. Disclosure of risk is most effective whwen it is tailored to the particular industry in questions. Disclosure about the system for monitoring and managing risk is increasingly regarded as good practice.	NO	

E.3.22	Does the Annual Report contain a statement from the board of directors / commissioners or Audit Committee commenting on the adequacy of the company's internal controls / risk management systems?	<p>OECD PRINCIPLE 6 (VI) (D)</p> <p>(7) Ensuring the integrity of the corporation's accounting and financial reporting systems, including the independent audit and that the appropriate systems of control are in place, in particular, systems for risk management, financial and operational control, and compliance with the law and relevant standards.</p> <p>In some jurisdictions it is considered good practice for the internal auditors to report to an independent audit committee of the board or equivalent body which is also responsible for managing the relationship with the external auditor, thereby allowing a coordinated response by the board. It should also be regarded as good practice for this committee, or equivalent body, to review and report to the board the most critical accounting policies which are the basis for financial reports. However, the board should retain final responsibility for ensuring the integrity of the reporting systems. Some countries have provided for the chair of the board to report on the internal control process.</p>	YES	Statement of Management Responsibility For Financial Statements
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E.4 People on the Board				
Board Chairman				
E.4.1	Do different persons assume the roles of chairman and CEO?	<p>OECD PRINCIPLE VI</p> <p>(E) The board should be able to exercise objectives independent judgement on corporate affairs. In a number of countries with single tier board systems. the objectivity of the board and its</p>	YES	List of Board of Directors and Corporate Officers uploaded in the Company website www.strongholdinsurance.com.ph

E.4.2	Is the chairman an independent director/commissioner?	<p>system, the objectivity of the board and its independence from management may be strengthened by the incorporation of the role of chief executive and chairman if these</p>	NO	List of Officers uploaded in the Company website www.strongholdinsurance.com.ph
E.4.3	Has the chairman been the company CEO in the last three years?		NO	Mr. Romulo I. Delos Reyes, Jr. assumed the position as The President and General Manager of Stronghold Insurance Co., Inc. on July 01, 2012 which he holds up to the present.
E.4.4	Are the role and responsibilities of the chairman disclosed?		<p>ICGN: 2.5 Role of the Chair</p> <p>The chair has the crucial function of settings the right context in terms of board agenda, the provision of information to directors, and open board room discussion, to enable the directors to generate the effective board debate discussion and to provide the constructive challenge which the company needs. The chair should work to create and maintain the culture of openness and constructive challenge which allows a diversity of views to be expressed...The chair should be available to shareholders for dialogue on key matters of the company's governance and where shareholders have particular concerns.</p>	YES
Skills and Competencies				

E.4.5	Does at least one non-executive director/commissioner have prior working experience in the major sector that the company is operating in?	<p>ICGN: 2.4.3 Independence</p> <p>Alongside appropriate skill, competence and experience, and the appropriate context to encourage effective behaviours, one of the principal features of a well-governed corporation is the exercise by its board of directors of independent judgement, meaning judgement in the best interests of the corporation, free of any external influence on any individual director, or the board as a whole. In order to provide this independent judgement, and to generate confidence that independent judgement is being applied, a board should include a strong presence of independent non-executive directors with appropriate competencies including key industry sector knowledge and experience. There should be at least a majority of independent directors on each board.</p>	YES	The Chairman of the Board of Directors
E.4.6	Does the company disclose a board of directors/commissioners diversity policy	<p>ASX Code</p> <p>Recommendation 3.2</p> <p>Companies should establish a policy concerning diversity and disclose the policy or a summary of that policy. The policy should include requirements for the board to establish measurable objectives for achieving gender diversity and for the board to assess annually both the objectives and progress in achieving them.</p> <p>Regulations and codes of corporate governance in many developed markets now incorporate board diversity as a consideration in board composition.</p>	YES	It is a policy of the Company that no Nominee shall be discriminated due to political, religion, gender or cultural background as long as he/she meets the qualification of the Board of Directors (Item VIII, Subsection 1.4. of the Corporate Governance Manual which is uploaded in the Company website www.strongholdinsurance.com.ph)

E.5 Board Performance				
<i>Directors Decelopment</i>				
E.5.1	Does the company have the orientation programmes for new directors/commissioners?	This items is in most codes of corporate governance.	YES	Stronghold Insurance Co., Inc. Corporate Governance Policy Manual (Item VIII, Subsection 1.4.8.) uploaded in the Company website www.strongholdinsurance.com.ph .
E.5.2	Does the company have the policy that encourages dirtectors/commissioners to attend on-going or continuous professional education programmes.	OECD PRINCIPLE VI (E.) (3)Board members should be able to commit themeselves effectively to their responsibilities. In order to improve board practices and the performance of its members, an increasing number of jurisdictions are now encouraging companies to engage in board training and voluntarily self evaluation that meets the needs of individual company. This might include that the board members acquire appropriate skills upon appointment, and thereafter remain abreast of relevant new laws, regulations, and changing commercial risks through in-house training external courses.	YES	Stronghold Insurance Company, Inc. Corporate Governance Policy Manual (Item VIII, Subsection 2.2.4) uploaded in the Company website www.strongholdinsurance.com.ph
<i>CEO/Executive Management Appointments and Performance</i>				

E.5.3	Does the company disclose how the board of directors/commissioners plans for the succession of the CEO/Managing Director/President and key management?	OECD PRINCIPLE VI (D) (3) Selecting, compensating, monitoring and, when necessary, replacing key executives and overseeing succession planning. In two tier board systems the supervisory board is also responsible for appointing the management board which will normally comprise most of the key executives.	YES	Stronghold Insurance Company, Inc. Corporate Governance Policy Manual (Item VIII, Subsections 1.3.7., 1.3.8., 1.3.8, 1.3.9. and 1.3.10) uploaded in the Company website www.strongholdinsurance.com.ph
E.5.4	Does the board of directors/commissioners conduct an annual performance assessment of the CEO/Managing Director/President	OECD PRINCIPLE VI (D) (2) Monitoring the effectiveness of the company's governance practices and making changes as needed. Monitoring of governance by the board also includes continuous review of the internal structure of the company to ensure that there are clear lines of accountability for management throughout the organisation. In addition to requiring the monitoring and disclosure of corporate governance practices on a regular basis, a number of countries have moved to recommend or indeed mandate self-assessment by boards of their performance as well as performance reviews of individual board members and the CEO/Chairman.	YES	Stronghold Insurance Company, Inc. Corporate Governance Policy Manual (Item VIII, Subsection 1.3.9., 1.3.10.) uploaded in the Company website www.strongholdinsurance.com.ph
Board Appraisal				
E.5.5	Is an annual performance assessment conducted of the board of directors/commissioners?	OECD PRINCIPLE VI (D) (2)	NO	
E.5.6	Does the company disclose the process followed in conducting the board assessment?		NO	
E.5.7	Does the company disclose the criteria used in the board assessment?		NO	
Director Appraisal				

E.5.8	Is an annual performance assesment conducted of individual director/commissioner?	OECD PRINCIPLE VI (D) (2)	NO	
E.5.9	Does the company disclose the process followed in conducting the director/commissioner assesment?		NO	
E.5.10	Does the company disclose the criteria used in the director/commissioner assesment?		NO	
Committee Appraisal				
E.5.11	Is an annual performance assesment conducted of the board of the directors/commissioners committees?	UK CODE (JUNE 2010) B.6 Evaluation: The board should undertake a formal and rigorous annual evaluation of its own performance and that of its committees and individual directors.	NO	

A. Rights of shareholders				
A.1	<i>Right to participate effectively in and vote in general shareholders meeting and should be informed of the rules, including voting procedures, that govern general shareholders meeting.</i>			
A.1.1(B)	Does the company allow the use of secure electronic voting in absentia at general meetings of shareholders?	OECD PRINCIPLE II (C.) (4)Shareholders should be able to vote in person or in absentia, and equal effect should be given to votes wether cast in person or in absentia.	NO	Article II, Section 4 - QUORUM of the Amended By-Laws requires presence either in person or by proxy which is uploaded in the Company website www.strongholdinsurance.com.ph

B. Equitable treatment of shareholders				
B.1	Notice of AGM			

B.1.1(B)	Does the company release its notice of AGM (with detailed agendas and explanatory circulars), as announced to the Exchange, at least 28 days before the date of the meeting?	<p>OECD PRINCIPLE II (C.) (1) Shareholders should be furnished with sufficient and timely information concerning the date, location and agenda of general meetings, as well as full and timely information regarding the issues to be decided at the meeting. (3) Effective shareholders participation in key corporate governance, such as the nomination and election of board members, should be facilitated.</p> <p>OECD PRINCIPLE III (A) ICGN 8.3.2 Shareholders participation in governance Shareholders should have the right to participate in key corporate governance decisions, such as the right to nominate, appoint and remove directors on an individual basis and also the right to appoint external auditors.</p> <p>ICGN 8.4.1 Shareholder ownership rights The exercise of ownership rights by all shareholders should be facilitated, including giving shareholders timely and adequate notice of all matters proposed for shareholders vote.</p> <p>CLSA-ACGA (2010) ch wATCH 2010 Appendix 2. (I) CG Rules and Practices (25) Do company release their AGM notices (with detailed agendas and explanatory circulars) at least 28 days before the date of the meeting?</p>	DEFAULT	Stronghold Insurance Company, Inc. Amended B-Laws Article II, Sections 1 and 2. The release of notice shall be 10 days prior to the meeting as uploaded in the Company website www.strongholdinsurance.com.ph
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C. Roles of Stakeholders				
C.1 <i>The rights of stakeholders that are established by law or through mutual agreements are to be respected</i>				
C.1.1(B)	Does the company practice integrated	International <IR> Framework-DRAFT, IIRC Council Item	DEFAULT	

D. Disclosure and transparency				
D.1 Quality of Annual Report				
D.1.1(B)	Are the audited annual financial report	OECD PRINCIPLE V (C.)	DEFAULT	
D.1.2(B)	Does the company disclose the details of remuneration of the CEO?		No	

E. Responsibilities of the Board				
E.1 Board Competencies and Diversity				
E.1.1(B)	Does the company have at least one female independent director/commissioner?	ICGN 2.4.1 Skills and experience The board should consist of directors with the requisite range of skills, competence, knowledge, experience and approach, as well as a diversity of perspective, to set the context for appropriate board behaviours and to enable it to discharge its duties and responsibilities effectively.	YES	Mrs. Sonia M. Roco is one of the Independent Directors who sits in the Board of Directors. List of Board of Directors is uploaded in the Company website www.strongholdinsurance.com.ph and submitted GIS to the SEC
E.2 Nominating Committee				
E.2.1(B)	Does the Nominating Committee comprise entirely of independent directors/commissioners?	ICGN 2.4.4. Composition and Board Committees The members of these key board committees should be solely non-executive directors, and in the case of the audit and remuneration committees, solely independent directors. All members of the nominations committee should be independent from management and at least a majority should be independent from dominant owners.	NO	One of the three Independent Directors sits in the Corporate Governance Committee as Embodied in Stronghold Insurance Company, Inc. Corporate Governance Policy Manual. Uploaded in the Company website www.strongholdinsurance.com.ph

E.2.2(B)	Does the Nominating Committee undertake the process of identifying the quality of directors aligned with the company's strategic directions?		YES	Embodied in Stronghold Insurance Company, Inc. Corporate Governance Policy Manual (Item VIII, Subsections 1.4. and 1.5.) uploaded in the Company website www.strongholdinsurance.com.ph
E.3 Board Appointments and Re-Election				
E.1.1(B)	Does the company use professional search firms or other external sources of candidates (such as director databases set up by director or shareholder bodies) when searching for candidates to the board of directors/commissioners?	WORLD BANK PRINCIPLE 6 (VI.I.21) Are boards known to hire professional search firms when proposing candidates to the board?	NO	
E.4 Board Structure & Composition				
E.4.1(B)	Do independent non executive directors/commissioners make up more than 50% of the board of directors/commissioners?		NO	Corporate Governance Policy Manual Item VIII, Subsection 1.1. Uploaded in the Company website www.strongholdinsurance.com.ph
E.5 Board Performance				
E.4.1(B)	Does the company have a separate level Risk Committee?	International Financial Corporation's Global Corporate Governance Forum Publication: When Do Companies Need a Board - level Risk Management Committee?(Volume 31, pp.11, March 2013)	NO	

A Rights of shareholders				
A.1	Basic shareholder rights			Default

A.1.1 (P)	Did the company fail or neglect to offer equal treatment for share repurchases to all shareholders?	OECD PRINCIPLE II (A)	NO	1. Article 1 - CERTIFICATES OF STOCKS of the Amended by Laws; 2. Item IX, Section 5 - Pre-emptive Right of Stockholder of the Corporate Governance Policy Manual and uploaded in the Company website www.strongholdinsurance.com.ph
A.2	<i>Shareholders, including institutional shareholders, should be allowed to consult with each other on issues concerning their basic shareholder rights as defined in the Principles, subject to exceptions to prevent abuse.</i>			
A.2.1 (P)	Is there evidence of barriers that prevent shareholders from communicating or consulting with other shareholders?	OECD PRINCIPLE II (G) Shareholders, including institutional shareholders, should be allowed to consult with each other on issues concerning their basic shareholders right as defined in the Principles, subject to exceptions to prevent abuse.	NONE	
A.3	<i>Right to participate effectively in and vote in general shareholders meeting and should be informed of the rules, including voting procedures, that govern general shareholders meeting.</i>			
A.3.1 (P)	Did the company include any additional and unannounced agenda item into the notice of AGM / EGM?	OECD PRINCIPLE II (C.) 2	NO	Minutes of the Annual General Membership meeting which is uploaded in the Company website www.strongholdinsurance.com.ph

A.4	<i>Capital structures and arrangements that enable certain shareholders to obtain a degree of control disproportionate to their equity ownership should be disclosed.</i>			
<i>Did the company fail to disclose the existence of:</i>				
A.4.1 (P)	Shareholders agreement?	OECD PRINCIPLE II (D)	DEFAULT	Article II - STOCKHOLDERS of the Amended By-Laws which is uploaded in the Company website www.strongholdinsurance.com.ph
A.4.2 (P)	Voting cap?		DEFAULT	Article II - STOCKHOLDERS of the Amended By-Laws which is uploaded in the Company website www.strongholdinsurance.com.ph
A.4.3 (P)	Multiple voting rights?		DEFAULT	Article II - STOCKHOLDERS of the Amended By-Laws which is uploaded in the Company website www.strongholdinsurance.com.ph
A.5	<i>Capital structures and arrangements that enable certain shareholders to obtain a degree of control disproportionate to their equity ownership should be disclosed.</i>			

A.5.1 (P)	Is a pyramid ownership structure and/ or cross holding structure apparent?	<p>OECD PRINCIPLE II (D) Capital structures and arrangements that enable certain shareholders to obtain a degree of control disproportionate to their equity ownership should be disclosed.</p> <p>Some capital exercise a degree of control over the corporation disproportionate to the shareholders' equity ownership in the company. Pyramid structures cross, shareholdings and shares with limited or multiple voting rights can be used to diminish the capability of non controlling shareholders to influence corporate policy.</p>	No	Submitted General Information Sheet to SEC indicating the shares of stocks of stockholders.
B. Equitable treatment of shareholders				
B.1	<i>Insider trading and abusive self-dealing should be prohibited.</i>			
B.1.1 (P)	Has there been any conviction of insider trading involving directors / commissioners, management and employees in the past three years?	<p>OECD PRINCIPLE III: The Equitable Treatment of Shareholders (B) Insider trading and abusive dealing should be prohibited.</p> <p>ICGN 3.5 Employee share dealing Companies should have clear rules regarding any trading by directors and employees in the company's own securities. Among other issues, these seek to ensure individuals do not benefit from knowledge which is not generally available to the market.</p> <p>ICGN 8.5 Shareholders should be rightsoof action ...Minority shareholders should be afforded protection and remedies against abusive or oppressive conduct.</p>	NONE	
B.2	<i>Protecting minority shareholders from abusive action</i>			

B.2.1 (P)	Has there been any cases of non compliance with the laws, rules and regulations pertaining to significant or material related party transactions in the past three years?	<p>OECD PRINCIPLE III (B) Insider trading and abusive dealing should be prohibited.</p> <p>ICGN 2.11.1 Related party transactions Companies should have a process for reviewing and monitoring any related party transaction. A committee of independent directors should review significant related party transactions to determine whether they are interests of the company and if so to determine what terms are fair.</p> <p>ICGN 2.11.2 Directors conflicts of interest Companies should have the process for identifying and managing any conflicts of interests directors may have. If a director has an interest in matter under consideration by te board, then the director should not participate in those discussions and the board should follow any further appropriate processes. Individual directors should be consiious of shareholder and public perceptions and seek to avoid situations where there might be an appearance of a conflict of interest.</p> <p>ICGN 8.5 Shareholder rights of action Shareholders should be afforded rights of action and remedies which are readily accesible in order to redress conduct of company which treats them inequitably. Minority shareholders should be afforded protection and remedies against abusive</p>	NONE	
C. Role of stakeholders				
C.1	<i>The rights of stakeholders that are established by law or through mutual agreements are to be respected.</i>			

C.1.1 (P)	Has there been any violations of any laws pertaining to labour / employment / consumer / insolvency / commercial / competition or environmental issues.	OECD PRINCIPLE IV (A) The rights of stakeholders that are established by law or through mutual agreements are to be respected.	NO	Stronghold Insurance Co., Inc. abides by the applicable existing laws and regulations being implemented by the government of the Republic of the Philippines.
C.2	<i>Where stakeholders participate in the corporate governance process, they should have access to relevant , sufficient and reliable information on a timely and regular basis.</i>			
C.2.1(P)	Has the company faced any any sanctions by regulators for failure to make announcements within the requisite time period for material events?	OECD PRINCIPLE IV (B) Where stakeholders participate in the corporate governance process, they should have access to relevant, sufficient and reliable information on a timely and regular basis.	NO	Stronghold Insurance Co., Inc. abides by the applicable existing laws and regulations being implemented by the government of the Republic of the Philippines.

D. Disclosure and transparency				
D.1	<i>Sanctions from regulator on financial reports</i>			
D.1.1(P)	Did the company receive a "qualified opinion" in its external audit report?	OECD PRINCIPLE V: Disclosure and Transparency (B) Information should be prepared and disclosed in accordance with high quality standards accounting and financial and non financial disclosures. (C.) An annual audits should be conducted by an independent, competent and qualified, auditor in order to provide an external and objective assurance to the board and shareholders that the financial statements fairly represent the financial position and performance of the company in all material respects.	NO	I.T. Sabado & Associates Opinion - the accompanying financial statements present fairly, in all material respects, the financial position of the Company as at December31, 2019 and 2018, and its financial performance and its cash flows for the years then ended in accordance with Philippine Financial Reporting Standards (PFRSs).
D.1.2 (P)	Did the company receive a "adverse opinion" in its external audit report?		NO	Same as D.1.1(P)

D.1.3 (P)	Did the company receive a "disclaimer opinion" in its external audit report?	NO	Same as D.1.2(P)
D.1.4(P)	Has the company in the past year revised its financial statements for reasons other than changes in accounting policies?	NO	

E. Responsibilities of the Board

E.1	<i>Compliance with listing rules, regulations and applicable laws</i>		
E.1.1(P)	Is there any evidence that the company has not complied with any listing rules and regulations over the past year apart from disclosure rules?	<p>OECD PRINCIPLE VI (D) (7) Ensuring the integrity of the corporation's accounting and financial reporting systems, including the independent audit, and that the appropriate systems of control are in place, in particular, systems for risk management, financial and operational control, and compliance with the law and relevant standards. Companies are also well advised to set up internal programmes and procedures to promote compliance with applicable laws, regulations and standards, including statutes to criminalise bribery of foreign officials that are required to be enacted by the OECD Anti bribery Convention and measures designed to control other forms of bribery and corruption. Moreover, compliance must also relate to other laws and regulations such as those covering securities, competition and work and safety conditions. Such compliance programmes will also underpin the company's ethical code.</p>	<p>NO</p> <p>Stronghold Insurance Company, Inc. abides by any existing listing rules and regulations over the past year apart from the disclosure rules.</p>

E.1.2(P)	Have there been any instances where non-executive directors / commissioner have resigned and raised any issues of governance-related concerns?	<p>UK CODE (JUNE 2010)</p> <p>A.4.3 Where directors have concerns which cannot be resolved about the running of the company or a proposed action, they should ensure that their concern are recorded in the board minutes. On resignation, a non executive director should provide a written statement to the chairman, for circulation to the board, if they have any such concerns.</p>	NONE	
E.2	Board Appraisal			
E.2.1(P)	Does the company have any independent directors / commissioners who have served for more than nine years or two terms (which is higher) in the same capacity?	<p>OECD PRINCIPLE V</p> <p>(C.) An annual audit should be conducted by an independent, competent and qualified, auditor in order to provide an external and objective assurance to the board and shareholders that the financial statements fairly represent the financial position and performance of the company in all material respects.</p> <p>Examples of other provisions to underpin auditor independence include, a total ban or severe limitation on the nature of non-audit work which can be undertaken by an auditor for their audit client, mandatory rotation auditors (either partners or in some cases the audit partnership), a temporary ban on the employment of an ex auditor by the audited company and prohibiting auditors or their dependents from having a financial stake or management role in the companies they audit.</p>	NONE	Corporate Governance Policy Manual Item VIII, Subsection 1.8.1. An Independent Director of the Company may serve as such for a maximum term of nine (9) years. After said period, he shall be perpetually barred from re-election. However, he may continue to qualify for nominaton and election as non-independent director. For purposes of computing the maximum cumulative term of nine (9) years, the reckoning period is 2 January 2015.

E.2.2 (P)	Did the company fail to identify who are the independent director(s) / commissioner(s) ?	ICGN 2.4 Composition and structure of the board ICGN2.4.1 Skills and Experience ICGN 2.4.3 Independence	NO	The list of the Board of Directors including respective positions is uploaded in the Company website www.strongholdinsurance.com.ph
E.3	External Audit			
E.3.1 (P)	Is any of the directors or senior management a former employee or partner of the current external auditor (in the past 2 years)?	OECD PRINCIPLE V (C.) An annual audit should be conducted by an independent, competent and qualified, auditor in order to provide an external and objective assurance to the board and shareholders that the financial statements fairly represent the financial position and performance of the company in all material respects. Examples of other provisions to underpin auditor independence include, a total ban or severe limitation on the nature of non-audit work which can be undertaken by an auditor for their audit client, mandatory rotation auditors (either partners or in some cases the audit partnership), a temporary ban on the employment of an ex auditor by the audited company and prohibiting auditors or their dependents from having a financial stake or management role in the companies they audit.	NO	
E.4	Board structure and composition			
E.4.1 (P)	Is any of the directors a former CEO of the company in the past 2 years?		NO	