

**ANNUAL CORPORATE GOVERNANCE REPORT OF  
FWD LIFE INSURANCE CORPORATION**

1. For the fiscal year ended: 31 December 2021.
2. Certificate Authority Number: 2022/21-R.
3. Province, Country of incorporation: Metro Manila, Philippines.
4. Address: 19F W Fifth Avenue Building, Fifth Avenue corner 32<sup>nd</sup> Street, Bonifacio Global City, Taguig City, Metro Manila, 1634.
5. Company's telephone number: 02-8888-8393.
6. Company's official website: [www.fwd.com.ph](http://www.fwd.com.ph)
7. Former name, address, fiscal year, if changed since last report: Not applicable.

## ANNUAL CORPORATE GOVERNANCE REPORT

	COMPLIANT/ NON- COMPLIANT	ADDITIONAL INFORMATION	EXPLANATION
<b>The Board's Governance Responsibilities</b>			
<b>Principle 1: The company should be headed by a competent, working board to foster the long-term success and sustainability of the corporation in a manner consistent with its corporate objectives and the long-term best interests of its shareholders and other stakeholders.</b>			
<b>Recommendation 1.1</b>			
<b>1. Board is composed of directors with collective working knowledge, experience or expertise that is relevant to the company's industry/sector.</b>	Compliant	<p>The Board is composed of directors from diverse backgrounds and expertise that is relevant to the finance and insurance sector. The Board's diversity adds to its collective knowledge.</p> <p>Please see pages 52-55 of the Company's 2021 Annual Report ("2021 AR") for the Profiles of the Board of Directors for the Directors' relevant qualifications and experience, which also show an appropriate mix in their competencies.</p> <p><a href="https://www.fwd.com.ph/-/media/pdf/documents/fwd-ph-annual-report-2021-2.pdf?rev=20b476bd356540fe93fb6a0b02ccb947#page=52">https://www.fwd.com.ph/-/media/pdf/documents/fwd-ph-annual-report-2021-2.pdf?rev=20b476bd356540fe93fb6a0b02ccb947#page=52</a></p>	
<b>2. Board has an appropriate mix of competence and expertise.</b>	Compliant		
<b>3. Directors remain qualified for their positions individually and collectively to enable them to fulfill their roles and responsibilities and respond to the needs of the organization.</b>	Compliant	<p>Directors' qualifications are regularly assessed prior to their election or reelection. Directors maintain their skills and competence through various trainings to effectively perform their roles. Likewise, Directors commit an adequate amount of their time to review and monitor the Company's status.</p> <p>Please see:</p> <ol style="list-style-type: none"> <li>Paragraph II.B.2.a of the Company's Corporate Governance Manual ("CGM") on the Qualifications of Directors;</li> </ol>	

		<p><a href="https://www.fwd.com.ph/-/media/pdf/documents/source-documents-2021/FWD-Corporate-Governance-Manual-2020-December.pdf#page%20=7">https://www.fwd.com.ph/-/media/pdf/documents/source-documents-2021/FWD-Corporate-Governance-Manual-2020-December.pdf#page%20=7</a></p> <p>2. Paragraph II.B.4 of the CGM on Training and Development;  <a href="https://www.fwd.com.ph/-/media/pdf/documents/source-documents-2021/FWD-Corporate-Governance-Manual-2020-December.pdf#page%20=9">https://www.fwd.com.ph/-/media/pdf/documents/source-documents-2021/FWD-Corporate-Governance-Manual-2020-December.pdf#page%20=9</a></p> <p>3. Paragraph II.C.2.d, of the CGM on Individual Responsibilities;  <a href="https://www.fwd.com.ph/-/media/pdf/documents/source-documents-2021/FWD-Corporate-Governance-Manual-2020-December.pdf#page%20=12">https://www.fwd.com.ph/-/media/pdf/documents/source-documents-2021/FWD-Corporate-Governance-Manual-2020-December.pdf#page%20=12</a></p> <p>4. Paragraph F.15.g of the Company's Corporate Governance Committee Terms of Reference ("CGC TOR"); and  <a href="https://www.fwd.com.ph/-/media/pdf/documents/source-documents-2021/FWD-Corporate-Governance-Committee-Terms-of-Reference-2020-December.pdf#page=7">https://www.fwd.com.ph/-/media/pdf/documents/source-documents-2021/FWD-Corporate-Governance-Committee-Terms-of-Reference-2020-December.pdf#page=7</a></p> <p>5. Page 52-55 of the 2021 AR for the Profiles of the Board of Directors for the qualifications of Directors.  <a href="https://www.fwd.com.ph/-/media/pdf/documents/fwd-ph-annual-report-2021-2.pdf?rev=20b476bd356540fe93fb6a0b02ccb947#page=52">https://www.fwd.com.ph/-/media/pdf/documents/fwd-ph-annual-report-2021-2.pdf?rev=20b476bd356540fe93fb6a0b02ccb947#page=52</a></p>	
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Recommendation 1.2			
1. Board is composed of a majority of non-executive directors.	Compliant	<p>The Company's seven-seat Board is composed of six non-executive directors and one executive director.</p> <p>Please see page 52-55 of the 2021 AR for the Profiles of the Board of Directors.  <a href="https://www.fwd.com.ph/-/media/pdf/documents/fwd-ph-annual-report-2021-2.pdf?rev=20b476bd356540fe93fb6a0b02ccb947#page=52">https://www.fwd.com.ph/-/media/pdf/documents/fwd-ph-annual-report-2021-2.pdf?rev=20b476bd356540fe93fb6a0b02ccb947#page=52</a></p>	
Recommendation 1.3			
1. Company provides in its Board Charter or MCG a policy on training of directors.	Compliant	<p>The Company's Board Charter, as contained in its CGM, provides the policy on the training of directors, which includes an eight-hour minimum training program upon onboarding as well as a four-hour minimum continuing training for re-elected directors.</p> <p>Please see paragraph II.B.4 of the CGM on Training and Development.  <a href="https://www.fwd.com.ph/-/media/pdf/documents/source-documents-2021/FWD-Corporate-Governance-Manual-2020-December.pdf#page%20=9">https://www.fwd.com.ph/-/media/pdf/documents/source-documents-2021/FWD-Corporate-Governance-Manual-2020-December.pdf#page%20=9</a></p>	
2. Company provides in its Board Charter or MCG an orientation program for first-time directors.	Compliant		
3. Company has relevant annual continuing training for all directors.	Compliant		

Recommendation 1.4			
1. Board has a policy on board diversity.	Compliant	<p>The Company has included its board diversity policy in its Board Charter.</p> <p>Please see paragraph II.A of the CGM on Composition of the Board.  <a href="https://www.fwd.com.ph/-/media/pdf/documents/source-documents-2021/FWD-Corporate-Governance-Manual-2020-December.pdf#page%20=4">https://www.fwd.com.ph/-/media/pdf/documents/source-documents-2021/FWD-Corporate-Governance-Manual-2020-December.pdf#page%20=4</a></p>	
Recommendation 1.5			
1. Board is assisted in its duties by a Corporate Secretary.	Compliant	<p>The Board annually elects a Corporate Secretary, who is not a member of the Board, is a separate individual from the Compliance Officer and attends trainings on corporate governance. The Corporate Secretary performs the functions prescribed in the Company's CGM. The Corporate Secretary is Atty. Donna C. Duque-Pastoral, and is supported by Assistant Corporate Secretary, Jordan G. Zafra-Bernardo.</p> <p>Please see:</p> <ol style="list-style-type: none"> <li>Paragraph II.C.6 of the CGM on Corporate Secretary;  <a href="https://www.fwd.com.ph/-/media/pdf/documents/source-documents-2021/FWD-Corporate-Governance-Manual-2020-December.pdf#page%20=15">https://www.fwd.com.ph/-/media/pdf/documents/source-documents-2021/FWD-Corporate-Governance-Manual-2020-December.pdf#page%20=15</a></li> <li>Page 61 of the 2021 AR for the Office of the Corporate Secretary; and  <a href="https://www.fwd.com.ph/-/media/pdf/documents/fwd-ph-annual-report-2021-2.pdf?rev=20b476bd356540fe93fb6a0b02ccb947#page=61">https://www.fwd.com.ph/-/media/pdf/documents/fwd-ph-annual-report-2021-2.pdf?rev=20b476bd356540fe93fb6a0b02ccb947#page=61</a></li> </ol>	
2. Corporate Secretary is not a member of the Board.	Compliant		
3. Corporate Secretary is a separate individual from the Compliance Officer.	Compliant		
4. Corporate Secretary attends trainings on corporate governance.	Compliant		

		<p>3. Page 4 of the Company's 2022 General Information Sheet ("2022 GIS").  <a href="https://www.fwd.com.ph/-/media/pdf/documents/source-documents-2021/General-Information-Sheet202225-March-2022Final-public.pdf#page-5">https://www.fwd.com.ph/-/media/pdf/documents/source-documents-2021/General-Information-Sheet202225-March-2022Final-public.pdf#page-5</a></p>	
<b>Recommendation 1.6</b>			
1. Board is assisted by a Compliance Officer.	Compliant	<p>The Board annually elects a Chief Compliance Officer who acts as governance officer. The Chief Compliance Officer is a member of the Executive Committee holding a position of Vice President and is not a member of the Board. The Chief Compliance Officer annually attends trainings on corporate governance. He likewise performs the</p>	
2. Compliance Officer has a rank of Vice President or an equivalent position with adequate stature and authority in the corporation.	Compliant		
3. Compliance Officer is not a member of the board.	Compliant	<p>functions prescribed in the Company's CGM. Atty. Juan Sotero Roman is the Chief Compliance Officer.</p> <p>Please see:</p>	
4. Compliance Officer attends training/s on corporate governance annually.	Compliant	<p>1. Paragraph II.C.7 of the CGM on Compliance Officer;  <a href="https://www.fwd.com.ph/-/media/pdf/documents/source-documents-2021/FWD-Corporate-Governance-Manual-2020-December.pdf#page%20=16">https://www.fwd.com.ph/-/media/pdf/documents/source-documents-2021/FWD-Corporate-Governance-Manual-2020-December.pdf#page%20=16</a></p> <p>2. Please see page 60 of the 2021 AR for the Profile of the Chief Compliance Officer;  and  <a href="https://www.fwd.com.ph/-/media/pdf/documents/fwd-ph-annual-report-2021-2.pdf?rev=20b476bd356540fe93fb6a0b02ccb94">https://www.fwd.com.ph/-/media/pdf/documents/fwd-ph-annual-report-2021-2.pdf?rev=20b476bd356540fe93fb6a0b02ccb94</a></p>	

		<a href="#">7#page=60</a> 3. Page 4 of the 2022 GIS. <a href="https://www.fwd.com.ph/-/media/pdf/documents/source-documents-2021/General-Information-Sheet202225-March-2022Final-public.pdf#page=5">https://www.fwd.com.ph/-/media/pdf/documents/source-documents-2021/General-Information-Sheet202225-March-2022Final-public.pdf#page=5</a>	
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**Principle 2: The fiduciary roles, responsibilities and accountabilities of the Board as provided under the law, the company's articles and by-laws, and other legal pronouncements and guidelines should be clearly made known to all directors as well as to stockholders and other stakeholders.**

#### Recommendation 2.1

<p><b>1. Directors act on a fully informed basis, in good faith, with due diligence and care, and in the best interest of the company.</b></p>	<p>Compliant</p>	<p>Directors devote sufficient time and attention to familiarize themselves with the Company's business, including regulatory requirements, which allows them to participate meaningfully to the Board's meetings.</p> <p>Please see paragraphs II.C.2.c, II.C.2.d and II.C.2.g of the CGM on Individual Responsibilities.  <a href="https://www.fwd.com.ph/-/media/pdf/documents/source-documents-2021/FWD-Corporate-Governance-Manual-2020-December.pdf#page%20=13">https://www.fwd.com.ph/-/media/pdf/documents/source-documents-2021/FWD-Corporate-Governance-Manual-2020-December.pdf#page%20=13</a>   <a href="https://www.fwd.com.ph/-/media/pdf/documents/source-documents-2021/FWD-Corporate-Governance-Manual-2020-December.pdf#page%20=14">https://www.fwd.com.ph/-/media/pdf/documents/source-documents-2021/FWD-Corporate-Governance-Manual-2020-December.pdf#page%20=14</a></p>	
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#### Recommendation 2.2

<p><b>1. Board oversees the development, review and approval of the company's business objectives and strategy.</b></p>	<p>Compliant</p>	<p>The Board reviews and adopts the strategic plan for the Company.</p> <p>The Board also oversees the conduct of the Company's business to ensure that the business is being properly managed and dealings with policyholders, claimants and creditors are fair and equitable.</p>	
<p><b>2. Board oversees and monitors the implementation of the company's business objectives and strategy in order to sustain the company's long-term viability and strength.</b></p>	<p>Compliant</p>	<p>Please see paragraph II.C.1.a to II.C.1.c of the CGM on Collective Responsibilities.  <a href="https://www.fwd.com.ph/-/media/pdf/documents/source-documents-2021/FWD-Corporate-Governance-Manual-2020-December.pdf#page%20=13">https://www.fwd.com.ph/-/media/pdf/documents/source-documents-2021/FWD-Corporate-Governance-Manual-2020-December.pdf#page%20=13</a></p>	



		<a href="#">2021/FWD-Corporate-Governance-Manual-2020-December.pdf#page%20=11</a>	
<b>Recommendation 2.3</b>			
<b>1. Board is headed by a competent and qualified Chairperson.</b>	Compliant	<p>The Board is headed by a competent and qualified Chairperson, Ambassador Jose L. Cuisia, Jr.</p> <p>Please see page 54 of the 2021 AR for the Profile of the Chairman of the Board.  <a href="https://www.fwd.com.ph/-/media/pdf/documents/fwd-ph-annual-report-2021-2.pdf?rev=20b476bd356540fe93fb6a0b02ccb947#page=54">https://www.fwd.com.ph/-/media/pdf/documents/fwd-ph-annual-report-2021-2.pdf?rev=20b476bd356540fe93fb6a0b02ccb947#page=54</a></p>	
<b>Recommendation 2.4</b>			
<b>1. Board ensures and adopts an effective succession planning program for directors, key officers and management.</b>	Compliant	<p>The duty to formulate an effective succession planning program for Directors and Senior Executives has been delegated by the Board to the Corporate Governance Committee (“CG Committee”), who shall recommend the same for the approval of the Board.</p> <p>Please see:</p> <ol style="list-style-type: none"> <li>Paragraph II.B.6 of the CGM on Succession Planning and Retirement; and  <a href="https://www.fwd.com.ph/-/media/pdf/documents/source-documents-2021/FWD-Corporate-Governance-Manual-2020-December.pdf#page%20=11">https://www.fwd.com.ph/-/media/pdf/documents/source-documents-2021/FWD-Corporate-Governance-Manual-2020-December.pdf#page%20=11</a></li> <li>Paragraph II.C1.d and II.C1.j of the CGM in relation to paragraph F.15.o. of the CGC TOR on Training and Performance of Directors and Senior Executives.</li> </ol>	

		<a href="https://www.fwd.com.ph/-/media/pdf/documents/source-documents-2021/FWD-Corporate-Governance-Manual-2020-December.pdf#page%20=12">https://www.fwd.com.ph/-/media/pdf/documents/source-documents-2021/FWD-Corporate-Governance-Manual-2020-December.pdf#page%20=12</a>  <a href="https://www.fwd.com.ph/-/media/pdf/documents/source-documents-2021/FWD-Corporate-Governance-Committee-Terms-of-Reference-2020-December.pdf#page=8">https://www.fwd.com.ph/-/media/pdf/documents/source-documents-2021/FWD-Corporate-Governance-Committee-Terms-of-Reference-2020-December.pdf#page=8</a>	
2. Board adopts a policy on the retirement for directors and key officers.	Compliant	<p>The Board has adopted a retirement policy for directors and has included the same in the CGC TOR. The Board also approved a retirement plan for Senior Executives and Company employees.</p> <p>Please see:</p> <ol style="list-style-type: none"> <li>1. Paragraph II.B.6 of the CGM on Succession Planning and Retirement;  <a href="https://www.fwd.com.ph/-/media/pdf/documents/source-documents-2021/FWD-Corporate-Governance-Manual-2020-December.pdf#page%20=11">https://www.fwd.com.ph/-/media/pdf/documents/source-documents-2021/FWD-Corporate-Governance-Manual-2020-December.pdf#page%20=11</a> </li> <li>2. Paragraph F.15.p of the CGC TOR; and  <a href="https://www.fwd.com.ph/-/media/pdf/documents/source-documents-2021/FWD-Corporate-Governance-Committee-Terms-of-Reference-2020-December.pdf#page=8">https://www.fwd.com.ph/-/media/pdf/documents/source-documents-2021/FWD-Corporate-Governance-Committee-Terms-of-Reference-2020-December.pdf#page=8</a> </li> <li>3. Page 40 of the 2021 AR on the Retirement Plan.  <a href="https://www.fwd.com.ph/-/media/pdf/documents/fwd-ph-annual-report-2021-2.pdf?rev=20b476bd356540fe93fb6a0b02ccb947#page=40">https://www.fwd.com.ph/-/media/pdf/documents/fwd-ph-annual-report-2021-2.pdf?rev=20b476bd356540fe93fb6a0b02ccb947#page=40</a> </li> </ol>	

## Recommendation 2.5

<p><b>1. Board formulates and adopts a policy specifying the relationship between remuneration and performance of key officers and board members.</b></p>	<p>Compliant</p>	<p>The Board ensures the Remuneration Policy specifies the relationship between remuneration and performance. The Board is not involved in the determination of its own remuneration. Remuneration of directors is based on the industry rate and fee structure within the FWD Group. Management refers Board remuneration to the Shareholders.</p> <p>Please see:</p> <ol style="list-style-type: none"> <li>1. Page 40 of the 2021 AR on Remuneration Structure; <a href="https://www.fwd.com.ph/-/media/pdf/documents/fwd-ph-annual-report-2021-2.pdf?rev=20b476bd356540fe93fb6a0b02ccb947#page=40">https://www.fwd.com.ph/-/media/pdf/documents/fwd-ph-annual-report-2021-2.pdf?rev=20b476bd356540fe93fb6a0b02ccb947#page=40</a></li> <li>2. Paragraph II.B.7 of the CGM on Remuneration; <a href="https://www.fwd.com.ph/-/media/pdf/documents/source-documents-2021/FWD-Corporate-Governance-Manual-2020-December.pdf#page%20=11">https://www.fwd.com.ph/-/media/pdf/documents/source-documents-2021/FWD-Corporate-Governance-Manual-2020-December.pdf#page%20=11</a></li> <li>3. Paragraph II.E.2.g of the CGM on the Responsibilities of the CG Committee; and <a href="https://www.fwd.com.ph/-/media/pdf/documents/source-documents-2021/FWD-Corporate-Governance-Manual-2020-December.pdf#page%20=21">https://www.fwd.com.ph/-/media/pdf/documents/source-documents-2021/FWD-Corporate-Governance-Manual-2020-December.pdf#page%20=21</a></li> <li>4. Paragraph F.15.r of the CGC TOR on General Remuneration. <a href="https://www.fwd.com.ph/-/media/pdf/documents/source-documents-2021/FWD-Corporate-Governance-Committee-Terms-of-Reference-2020-">https://www.fwd.com.ph/-/media/pdf/documents/source-documents-2021/FWD-Corporate-Governance-Committee-Terms-of-Reference-2020-</a></li> </ol>
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2. Board aligns the remuneration of key officers and board members with long-term interests of the company.	Compliant	<p>The Board ensures the Remuneration policy is in line with applicable requirements, good corporate governance practices, and long-term interests of the Company.</p> <p>Please see:</p> <ol style="list-style-type: none"> <li>1. Page 40 of the 2021 AR on Remuneration Structure; <a href="https://www.fwd.com.ph/-/media/pdf/documents/fwd-ph-annual-report-2021-2.pdf?rev=20b476bd356540fe93fb6a0b02ccb947#page=40">https://www.fwd.com.ph/-/media/pdf/documents/fwd-ph-annual-report-2021-2.pdf?rev=20b476bd356540fe93fb6a0b02ccb947#page=40</a></li> <li>2. Paragraph II.B.7 of the CGM on Remuneration; <a href="https://www.fwd.com.ph/-/media/pdf/documents/source-documents-2021/FWD-Corporate-Governance-Manual-2020-December.pdf#page%20=11">https://www.fwd.com.ph/-/media/pdf/documents/source-documents-2021/FWD-Corporate-Governance-Manual-2020-December.pdf#page%20=11</a></li> <li>3. Paragraph II.C.1.j of the CGM on Collective Responsibilities; <a href="https://www.fwd.com.ph/-/media/pdf/documents/source-documents-2021/FWD-Corporate-Governance-Manual-2020-December.pdf#page%20=12">https://www.fwd.com.ph/-/media/pdf/documents/source-documents-2021/FWD-Corporate-Governance-Manual-2020-December.pdf#page%20=12</a></li> <li>4. Paragraph E.2.v of the CGM on the Responsibilities of the CG Committee; and <a href="https://www.fwd.com.ph/-/media/pdf/documents/source-documents-2021/FWD-Corporate-Governance-Manual-2020-December.pdf#page%20=21">https://www.fwd.com.ph/-/media/pdf/documents/source-documents-2021/FWD-Corporate-Governance-Manual-2020-December.pdf#page%20=21</a></li> <li>5. Paragraph F.15.q of the CGC TOR on General Remuneration. <a href="https://www.fwd.com.ph/-">https://www.fwd.com.ph/-</a></li> </ol>	

		<a href="/media/pdf/documents/source-documents-2021/FWD-Corporate-Governance-Committee-Terms-of-Reference-2020-December.pdf#page=8">/media/pdf/documents/source-documents-2021/FWD-Corporate-Governance-Committee-Terms-of-Reference-2020-December.pdf#page=8</a>	
<b>3. Directors do not participate in discussions or deliberations involving his/her own remuneration.</b>	Compliant	<p>Directors' Remuneration are approved by the Shareholders at the Annual Shareholders' Meeting following the election of Directors.</p> <p>Please see:</p> <ol style="list-style-type: none"> <li>1. Paragraph II.B.7 of the CGM on Remuneration; and  <a href="https://www.fwd.com.ph/-/media/pdf/documents/source-documents-2021/FWD-Corporate-Governance-Manual-2020-December.pdf#page%20=11">https://www.fwd.com.ph/-/media/pdf/documents/source-documents-2021/FWD-Corporate-Governance-Manual-2020-December.pdf#page%20=11</a></li> <li>2. Paragraph F.15.w of the CGC TOR on Remuneration of Directors.  <a href="https://www.fwd.com.ph/-/media/pdf/documents/source-documents-2021/FWD-Corporate-Governance-Committee-Terms-of-Reference-2020-December.pdf#page=9">https://www.fwd.com.ph/-/media/pdf/documents/source-documents-2021/FWD-Corporate-Governance-Committee-Terms-of-Reference-2020-December.pdf#page=9</a></li> </ol>	
<b>Recommendation 2.6</b>			
<b>1. Board has a formal and transparent board nomination and election policy.</b>	Compliant	The Board, in its CGM, delegated the duty to adopt the Nomination and Election Policy to the CG Committee. The Nomination and Election Policy is contained in the CGC TOR.	
<b>2. Board nomination and election policy includes how the board reviews nominated candidates.</b>	Compliant	The Nomination and Election Policy for Directors and Senior Executives is contained in the CG Committee TOR. It includes a mechanism of how candidates may be submitted for evaluation, including submissions from minority shareholders.	

4. Board nomination and election policy includes an assessment of the effectiveness of the Board's processes in the nomination, election or replacement of a director.	Compliant	It explains the duty of the CG Committee to review and evaluate the qualifications, and determine the existence of any disqualifications, of all nominees, in accordance with the Company's CGM and applicable laws and regulations as well as the Company's strategic direction. It likewise contains an assessment of the Board's effectiveness in directing the process of renewing and replacing Directors.	
5. Board has a process of identifying the quality of directors that is aligned with the strategic direction of the company.	Compliant	Please see:	
6. Board nomination and election policy includes how the company accepts nominations from minority shareholders.	Compliant	1. Paragraph II.B.3 of the CGM on Nomination and Election; <a href="https://www.fwd.com.ph/-/media/pdf/documents/source-documents-2021/FWD-Corporate-Governance-Manual-2020-December.pdf#page%20=9">https://www.fwd.com.ph/-/media/pdf/documents/source-documents-2021/FWD-Corporate-Governance-Manual-2020-December.pdf#page%20=9</a>	
6. Board nomination and election policy is disclosed in the MCG.	Compliant	2. Paragraph II.E.2.e of the CGM on the Responsibilities of the CG Committee; and <a href="https://www.fwd.com.ph/-/media/pdf/documents/source-documents-2021/FWD-Corporate-Governance-Manual-2020-December.pdf#page%20=21">https://www.fwd.com.ph/-/media/pdf/documents/source-documents-2021/FWD-Corporate-Governance-Manual-2020-December.pdf#page%20=21</a> 3. Paragraphs F.15.e to F.15.j of the CGC TOR on Nomination and Election of Directors and Senior Executives. <a href="https://www.fwd.com.ph/-/media/pdf/documents/source-documents-2021/FWD-Corporate-Governance-Committee-Terms-of-Reference-2020-December.pdf#page=7">https://www.fwd.com.ph/-/media/pdf/documents/source-documents-2021/FWD-Corporate-Governance-Committee-Terms-of-Reference-2020-December.pdf#page=7</a>	

Recommendation 2.7			
1. Board has overall responsibility in ensuring that there is a group-wide policy and system governing related RPTs and other unusual or infrequently occurring transactions.	Compliant	<p>The Board has the duty to regularly review and approve material transactions not in the Company's ordinary course of business or transactions involving related parties.</p> <p>In furtherance of this duty, the Board has established a Related Party Transactions (RPT) Policy, which defines who is a related party and what transactions are considered related party transactions. The RPT Policy requires the periodic disclosure of all RPTs to the RPT Committee to enable the Committee to review and determine the fairness of such transactions. RPTs which exceeding the materiality thresholds set by the Board must be approved by the same.</p>	
2. RPT policy encompasses all entities within the group, taking into account their size, structure, risk profile and complexity of operations.	Compliant	<p>Please see:</p>	
3. RPT policy includes appropriate review and approval of material RPTs, which guarantee fairness and transparency of the transactions.	Compliant	<ol style="list-style-type: none"> <li>Paragraph II.C.1.h of the CGM on Collective Responsibilities;  <a href="https://www.fwd.com.ph/-/media/pdf/documents/source-documents-2021/FWD-Corporate-Governance-Manual-2020-December.pdf#page%20=12">https://www.fwd.com.ph/-/media/pdf/documents/source-documents-2021/FWD-Corporate-Governance-Manual-2020-December.pdf#page%20=12</a> </li> <li>Paragraph II.E.3.e of the CGM on the Responsibilities of the RPT Committee;  <a href="https://www.fwd.com.ph/-/media/pdf/documents/source-documents-2021/FWD-Corporate-Governance-Manual-2020-December.pdf#page%20=23">https://www.fwd.com.ph/-/media/pdf/documents/source-documents-2021/FWD-Corporate-Governance-Manual-2020-December.pdf#page%20=23</a> </li> <li>Paragraphs 1.1, 1.2, and 10 of the RPT Policy; and  <a href="https://www.fwd.com.ph/-">https://www.fwd.com.ph/-</a> </li> </ol>	

		<a href="/media/pdf/documents/source-documents-2021/FWD-Related-Party-Transactions-Policy-2020-June.pdf">/media/pdf/documents/source-documents-2021/FWD-Related-Party-Transactions-Policy-2020-June.pdf</a> 4. Page 62 of the 2021 AR for the RPT Policy. <a href="https://www.fwd.com.ph/-/media/pdf/documents/fwd-ph-annual-report-2021-2.pdf?rev=20b476bd356540fe93fb6a0b02ccb947#page=62">https://www.fwd.com.ph/-/media/pdf/documents/fwd-ph-annual-report-2021-2.pdf?rev=20b476bd356540fe93fb6a0b02ccb947#page=62</a>	
<b>Recommendation 2.8</b>			
1. Board is primarily responsible for approving the selection of Management led by the CEO and the heads of other control functions (Chief Risk Officer, Chief Compliance Officer and Chief Audit Executive).	Compliant	The Board has the responsibility over the succession of senior management, especially the Chief Executive Officer, the heads of control functions (audit, compliance, risk), which includes the appointment, training, remuneration, performance assessment, and where appropriate, replacement. In furtherance of this duty, the Board has an appropriate reporting system to monitor and assess the performance of the Management.	
2. Board is primarily responsible for assessing the performance of Management led by the CEO and the heads of other control functions (Chief Risk Officer, Chief Compliance Officer and Chief Audit Executive).	Compliant	Please see paragraph II.C.1.j and II.C.1.k of the CGM on Collective Responsibilities. <a href="https://www.fwd.com.ph/-/media/pdf/documents/source-documents-2021/FWD-Corporate-Governance-Manual-2020-December.pdf#page%20=12">https://www.fwd.com.ph/-/media/pdf/documents/source-documents-2021/FWD-Corporate-Governance-Manual-2020-December.pdf#page%20=12</a>	
<b>Recommendation 2.9</b>			
1. Board establishes an effective performance management framework that ensures that Management, including the	Compliant	The Board has an appropriate reporting system to monitor and assess the performance of the Management in view of the Company's business objectives and strategy.	



CEO performance is at par with the standards set by the Board and Senior Management.		<p>Please see paragraph II.C.1.k of the CGM on Collective Responsibilities.  <a href="https://www.fwd.com.ph/-/media/pdf/documents/source-documents-2021/FWD-Corporate-Governance-Manual-2020-December.pdf#page%20=12">https://www.fwd.com.ph/-/media/pdf/documents/source-documents-2021/FWD-Corporate-Governance-Manual-2020-December.pdf#page%20=12</a></p>	
2. Board establishes an effective performance management framework that ensures that personnel's performance is at par with the standards set by the Board and Senior Management.	Compliant	<p>The Board conducts an annual performance evaluation on the President and CEO. Job evaluation is also conducted for executives, managers, and all employees to provide accurate placement of employees and jobs in their appropriate grades.</p> <p>Members of the Executive Committee and other officers with a rank of at least Vice President are subject to evaluation by the CG Committee and to re-appointment by the Board on an annual basis.</p> <p>Further, the CG Committee annually reviews and evaluates the performance of personnel in relation to short or long-term compensation and incentives and makes recommendations to the Board for the approval of the same.</p> <p>Please see:</p> <ol style="list-style-type: none"> <li>1. Paragraph II.B.5.c of the CGM on Performance Evaluation;  <a href="https://www.fwd.com.ph/-/media/pdf/documents/source-documents-2021/FWD-Corporate-Governance-Manual-2020-December.pdf#page%20=10">https://www.fwd.com.ph/-/media/pdf/documents/source-documents-2021/FWD-Corporate-Governance-Manual-2020-December.pdf#page%20=10</a></li> <li>2. Paragraphs II.E.2.d.iv, II.E.2.e.iv, and II.E.2.g.vi of the CGM on the Responsibilities of the CGC;  <a href="https://www.fwd.com.ph/-/media/pdf/documents/source-documents-2021/FWD-Corporate-Governance-Manual-2020-December.pdf#page%20=20">https://www.fwd.com.ph/-/media/pdf/documents/source-documents-2021/FWD-Corporate-Governance-Manual-2020-December.pdf#page%20=20</a></li> </ol>	

		<p>3. Paragraphs F.15.l to F.15.n, and F.15.s. of the CGC TOR; and  <a href="https://www.fwd.com.ph/-/media/pdf/documents/source-documents-2021/FWD-Corporate-Governance-Committee-Terms-of-Reference-2020-December.pdf#page=7">https://www.fwd.com.ph/-/media/pdf/documents/source-documents-2021/FWD-Corporate-Governance-Committee-Terms-of-Reference-2020-December.pdf#page=7</a></p> <p>4. Page 57 of the 2021 AR on the Process of Our Directors' Evaluations and Appraisal.  <a href="https://www.fwd.com.ph/-/media/pdf/documents/fwd-ph-annual-report-2021-2.pdf?rev=20b476bd356540fe93fb6a0b02ccb947#page=57">https://www.fwd.com.ph/-/media/pdf/documents/fwd-ph-annual-report-2021-2.pdf?rev=20b476bd356540fe93fb6a0b02ccb947#page=57</a></p>	
<b>Recommendation 2.10</b>			
1. Board oversees that an appropriate internal control system is in place.	Compliant	The Board has the responsibility to review the adequacy and the integrity of the Company's internal control systems and management information systems.	
2. The internal control system includes a mechanism for monitoring and managing potential conflict of interest of the Management, members and shareholders.	Compliant	<p>The internal control system includes mechanisms to monitor and manage potential conflict of interest of management, directors, and shareholders, to review the implementation of risk management functions, compliance, functions, internal audit functions, and to review human resource policies, conflict of interest policies, compensation program for employees and succession plan for management.</p> <p>Please see paragraph II.C.1.d. to II.C.1.e of the CGM on Collective Responsibilities.  <a href="https://www.fwd.com.ph/-/media/pdf/documents/source-documents-2021/FWD-Corporate-Governance-Manual-2020-December.pdf#page%20=12">https://www.fwd.com.ph/-/media/pdf/documents/source-documents-2021/FWD-Corporate-Governance-Manual-2020-December.pdf#page%20=12</a></p>	

<p><b>3. Board approves the Internal Audit Charter.</b></p>	<p>Compliant</p>	<p>The Board approves the Internal Audit Charter, as may be recommended by the Audit Committee.</p> <p>Please see paragraph F.15.c of the Company's 2020 Audit Committee Terms of Reference ("AC TOR").</p> <p><a href="https://www.fwd.com.ph/-/media/pdf/documents/source-documents-2021/FWD-Audit-Committee-Terms-of-Reference-2020-December.pdf#page=6">https://www.fwd.com.ph/-/media/pdf/documents/source-documents-2021/FWD-Audit-Committee-Terms-of-Reference-2020-December.pdf#page=6</a></p>	
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Recommendation 2.11			
1. Board oversees that the company has in place a sound enterprise risk management (ERM) framework to effectively identify, monitor, assess and manage key business risks.	Compliant	The Board has established an enterprise risk management framework, which is reviewed and updated regularly, to identify, measure, mitigate and monitor risks affecting the Company. The ERM specifies the Company's risk management procedures and processes to guide the Management and Directors on the Company's top risks and effectiveness of risk management strategies.	
2. The risk management framework guides the Board in identifying units/business lines and enterprise-level risk exposures, as well as the effectiveness of risk management strategies.	Compliant	<p>Please see:</p> <ol style="list-style-type: none"> <li>Paragraph II.C.1.f of the CGM on Collective Responsibilities; and  <a href="https://www.fwd.com.ph/-/media/pdf/documents/source-documents-2021/FWD-Corporate-Governance-Manual-2020-December.pdf#page=12">https://www.fwd.com.ph/-/media/pdf/documents/source-documents-2021/FWD-Corporate-Governance-Manual-2020-December.pdf#page=12</a></li> <li>Pages 63 of the 2021 AR on A Proactive Risk Culture.  <a href="https://www.fwd.com.ph/-/media/pdf/documents/fwd-ph-annual-report-2021-2.pdf?rev=20b476bd356540fe93fb6a0b02ccb947#page=63">https://www.fwd.com.ph/-/media/pdf/documents/fwd-ph-annual-report-2021-2.pdf?rev=20b476bd356540fe93fb6a0b02ccb947#page=63</a></li> </ol>	
Recommendation 2.12			
1. Board has a Board Charter that formalizes and clearly states its roles, responsibilities and accountabilities in carrying out its fiduciary duties.	Compliant	The Board Charter is included in the Company's CGM, which is uploaded to the Company website. It includes the duties and responsibilities of Directors as well as the functions of the Board and its Committees. It likewise includes directors' performance assessment criteria, to guide the directors in the performance of their duties.	

2. Board Charter serves as a guide to the directors in the performance of their functions.	Compliant	Please see the Board Charter in the CGM. <a href="https://www.fwd.com.ph/-/media/pdf/documents/source-documents-2021/FWD-Corporate-Governance-Manual-2020-December.pdf#page=4">https://www.fwd.com.ph/-/media/pdf/documents/source-documents-2021/FWD-Corporate-Governance-Manual-2020-December.pdf#page=4</a>	
3. Board Charter is publicly available and posted on the company's website.	Compliant		

**Principle 3:** Board committees should be set up to the extent possible to support the effective performance of the Board's functions, particularly with respect to audit, risk management, related party transactions, and other key corporate governance concerns, such as nomination and remuneration. The composition, functions and responsibilities of all committees established should be contained in a publicly available Committee Charter.

#### Recommendation 3.1

1. Board establishes board committees that focus on specific board functions to aid in the optimal performance of its roles and responsibilities.	Compliant	<p>The Board has established the following committees to aid in complying with the principles of good governance:</p> <ol style="list-style-type: none"> <li>1. Audit Committee</li> <li>2. Corporate Governance Committee</li> <li>3. Related Party Transactions Committee</li> <li>4. Risk Committee.</li> </ol> <p>Please see paragraphs II.E.1 to II.E.4 of the CGM on Board Committees. <a href="https://www.fwd.com.ph/-/media/pdf/documents/source-documents-2021/FWD-Corporate-Governance-Manual-2020-December.pdf#page=19">https://www.fwd.com.ph/-/media/pdf/documents/source-documents-2021/FWD-Corporate-Governance-Manual-2020-December.pdf#page=19</a></p> <p><a href="https://www.fwd.com.ph/-/media/pdf/documents/source-documents-2021/FWD-Corporate-Governance-Manual-2020-December.pdf#page=24">https://www.fwd.com.ph/-/media/pdf/documents/source-documents-2021/FWD-Corporate-Governance-Manual-2020-December.pdf#page=24</a></p>	
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#### Recommendation 3.2

1. Board establishes an Audit Committee to enhance its oversight capability over the	Compliant	The Audit Committee was established on 6 November 2014. It supervises and monitors the external audit, the internal audit, the internal	
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<p>company's financial reporting, internal control system, internal and external audit processes, and compliance with applicable laws and regulations.</p>		<p>control system, and compliance with Company policies, and applicable laws and regulations.</p> <p>Please see:</p> <ol style="list-style-type: none"> <li>1. Paragraph II.E.1.f. of the CGM on the Audit Committee; and <a href="https://www.fwd.com.ph/-/media/pdf/documents/source-documents-2021/FWD-Corporate-Governance-Manual-2020-December.pdf#page=19">https://www.fwd.com.ph/-/media/pdf/documents/source-documents-2021/FWD-Corporate-Governance-Manual-2020-December.pdf#page=19</a></li> <li>2. Paragraphs B and F of the AC TOR on the Constitution. <a href="https://www.fwd.com.ph/-/media/pdf/documents/source-documents-2021/FWD-Audit-Committee-Terms-of-Reference-2020-December.pdf#page=3">https://www.fwd.com.ph/-/media/pdf/documents/source-documents-2021/FWD-Audit-Committee-Terms-of-Reference-2020-December.pdf#page=3</a>  <a href="https://www.fwd.com.ph/-/media/pdf/documents/source-documents-2021/FWD-Audit-Committee-Terms-of-Reference-2020-December.pdf#page=5">https://www.fwd.com.ph/-/media/pdf/documents/source-documents-2021/FWD-Audit-Committee-Terms-of-Reference-2020-December.pdf#page=5</a></li> </ol>	
<p><b>2. Audit Committee is composed of at least 3 appropriately qualified non-executive directors, the majority of whom, including the Chairman, is independent.</b></p>	<p>Non-compliant</p>	<p>The Audit Committee composed of Mr. Vicente Castillo (Independent Director), Amb. Jose L. Cuisia (Non-executive Director), and Mr. Adrian T. O'Connor (Non-executive Director).</p> <p>Please see:</p> <ol style="list-style-type: none"> <li>1. Paragraph E.1.a. of the CGM on the Audit Committee; <a href="https://www.fwd.com.ph/-/media/pdf/documents/source-documents-2021/FWD-Corporate-">https://www.fwd.com.ph/-/media/pdf/documents/source-documents-2021/FWD-Corporate-</a></li> </ol>	<p>Amb. Jose L. Cuisia, non- executive Director, possesses all the qualifications of an independent director as defined in Insurance Commission Circular Letter 71-2020, the Revised Code of Corporate Governance. He, however, is not an independent director due to his former consultancy with FWD ending 30 June 2020. Per IC CL 71-2020, an independent director is one who was</p>

		<p><a href="#">Governance-Manual-2020-December.pdf#page=19</a></p> <p>2. Paragraph C.5. of the AC TOR; and <a href="https://www.fwd.com.ph/-/media/pdf/documents/source-documents-2021/FWD-Audit-Committee-Terms-of-Reference-2020-December.pdf#page=4">https://www.fwd.com.ph/-/media/pdf/documents/source-documents-2021/FWD-Audit-Committee-Terms-of-Reference-2020-December.pdf#page=4</a></p> <p>3. Page 4 of the 2022 GIS. <a href="https://www.fwd.com.ph/-/media/pdf/documents/source-documents-2021/General-Information-Sheet202225-March-2022Final-public.pdf#page=5">https://www.fwd.com.ph/-/media/pdf/documents/source-documents-2021/General-Information-Sheet202225-March-2022Final-public.pdf#page=5</a></p>	not retained as consultant during the past three (3) years of his election.
3. All the members of the committee have relevant background, knowledge, skills, and/or experience in the areas of accounting, auditing and finance.	Compliant	<p>All the members have experience in finance and insurance industries.</p> <p>Please see pages 52-55 of the 2021 AR for the Profiles of the Board of Directors. <a href="https://www.fwd.com.ph/-/media/pdf/documents/fwd-ph-annual-report-2021-2.pdf?rev=20b476bd356540fe93fb6a0b02ccb947#page=52">https://www.fwd.com.ph/-/media/pdf/documents/fwd-ph-annual-report-2021-2.pdf?rev=20b476bd356540fe93fb6a0b02ccb947#page=52</a></p>	
4. The Chairman of the Audit Committee is not the Chairman of the Board or of any other Committee.	Compliant	<p>Mr. Castillo is the Chair of the Audit Committee and does not act as Chair for the Board or any other committee.</p> <p>Please see page 4 of the 2021 Amended GIS. <a href="https://www.fwd.com.ph/-/media/pdf/documents/source-documents-2021/FWD-Life-Insurance-CorporationAmended-2021-General-Information-Sheet-15-November-2021-Final-public.pdf#page=5">https://www.fwd.com.ph/-/media/pdf/documents/source-documents-2021/FWD-Life-Insurance-CorporationAmended-2021-General-Information-Sheet-15-November-2021-Final-public.pdf#page=5</a></p>	

### Recommendation 3.3

<p><b>1. Board establishes a Corporate Governance Committee tasked to assist the Board in the performance of its corporate governance responsibilities, including the functions that were formerly assigned to a Nomination and Remuneration Committee.</b></p>	<p>Compliant</p>	<p>The CG Committee was established by resolution of the Board on 22 September 2020, to assume the responsibilities of the previous Nomination Committee and Remuneration Committee, and to guide the Board in its compliance with the CGM.</p> <p>Please see:</p> <ol style="list-style-type: none"> <li>1. Paragraph II.E.2.e.iii of the CGM on Corporate Governance Committee; and <a href="https://www.fwd.com.ph/-/media/pdf/documents/source-documents-2021/FWD-Corporate-Governance-Manual-2020-December.pdf#page=21">https://www.fwd.com.ph/-/media/pdf/documents/source-documents-2021/FWD-Corporate-Governance-Manual-2020-December.pdf#page=21</a></li> <li>2. Paragraph B.4 of the CGC TOR on Constitution. <a href="https://www.fwd.com.ph/-/media/pdf/documents/source-documents-2021/FWD-Corporate-Governance-Committee-Terms-of-Reference-2020-December.pdf#page=4">https://www.fwd.com.ph/-/media/pdf/documents/source-documents-2021/FWD-Corporate-Governance-Committee-Terms-of-Reference-2020-December.pdf#page=4</a></li> </ol>	
<p><b>2. Corporate Governance Committee is composed of at least 3 members, majority of whom should be independent directors.</b></p>	<p>Compliant</p>	<p>The CG Committee is composed of Atty. Leo G. Dominguez (Lead Independent Director) as Chair, and Atty. Lilia B. de Lima (Independent Director) and Amb. Jose L. Cuisia Jr., as members.</p> <p>Please see:</p>	
<p><b>3. Chairman of the Corporate Governance Committee is an independent director.</b></p>	<p>Compliant</p>	<ol style="list-style-type: none"> <li>1. Paragraph II.E.2.a of the CGM on Corporate Governance Committee; <a href="https://www.fwd.com.ph/-/media/pdf/documents/source-documents-2021/FWD-Corporate-Governance-Manual-2020-December.pdf#page-20">https://www.fwd.com.ph/-/media/pdf/documents/source-documents-2021/FWD-Corporate-Governance-Manual-2020-December.pdf#page-20</a></li> <li>2. Paragraph C.5 of the CGC TOR on Membership; <a href="https://www.fwd.com.ph/-/media/pdf/documents/source-documents-2021/FWD-Corporate-Governance-Manual-2020-December.pdf#page-20">https://www.fwd.com.ph/-/media/pdf/documents/source-documents-2021/FWD-Corporate-Governance-Manual-2020-December.pdf#page-20</a></li> </ol>	



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		<p>3. Page 4 of the 2022 GIS.</p> <a href="https://www.fwd.com.ph/-/media/pdf/documents/source-documents-2021/General-Information-Sheet202225-March-2022Final-public.pdf#page=5">https://www.fwd.com.ph/-/media/pdf/documents/source-documents-2021/General-Information-Sheet202225-March-2022Final-public.pdf#page=5</a>	
<b>Recommendation 3.4</b>			
<p>1. <b>Board establishes a separate Board Risk Oversight Committee (BROC) that should be responsible for the oversight of a company's ERM system to ensure its functionality and effectiveness.</b></p>	Compliant	<p>By resolution of the Board on 7 June 2018, the Risk Committee, previously a management committee, was promoted as a Board Committee.</p> <p>The Risk Committee's duties include the review and approval of appropriate risk targets, monitoring of compliance and operations risk management infrastructure, review and monitoring of financial risks and actuarial assumptions, review of business continuity plan and disaster recovery policy, among others.</p> <p>Please see paragraph II.E.4.d of the CGM on the Risk Committee.</p> <a href="https://www.fwd.com.ph/-/media/pdf/documents/source-documents-2021/FWD-Corporate-Governance-Manual-2020-December.pdf#page=24">https://www.fwd.com.ph/-/media/pdf/documents/source-documents-2021/FWD-Corporate-Governance-Manual-2020-December.pdf#page=24</a>	

<p><b>2. BROC is composed of at least 3 members, majority of whom should be independent directors, including the Chairman.</b></p>	<p>Non-compliant</p>	<p>The Risk Committee is composed of Atty. Lilia B. de Lima (Independent Director), Amb. Jose L. Cuisia, Jr. (Non-executive Director), and Mr. Adrian T. O'Connor (Non-executive Director).</p> <ol style="list-style-type: none"> <li>1. Paragraph II.E.4.a of the CGM on Risk Committee; <a href="https://www.fwd.com.ph/-/media/pdf/documents/source-documents-2021/FWD-Corporate-Governance-Manual-2020-December.pdf#page-24">https://www.fwd.com.ph/-/media/pdf/documents/source-documents-2021/FWD-Corporate-Governance-Manual-2020-December.pdf#page-24</a></li> <li>2. Paragraphs 2.3-2.4 of the Company's 2020 Risk Committee Terms of Reference ("RC TOR"); and <a href="https://www.fwd.com.ph/-/media/pdf/documents/source-documents-2021/FWD-PH-Risk-Committee-Terms-of-Reference-v6.pdf#page=4">https://www.fwd.com.ph/-/media/pdf/documents/source-documents-2021/FWD-PH-Risk-Committee-Terms-of-Reference-v6.pdf#page=4</a></li> <li>3. Page 4 of the 2022 GIS. <a href="https://www.fwd.com.ph/-/media/pdf/documents/source-documents-2021/General-Information-Sheet202225-March-2022Final-public.pdf#page=5">https://www.fwd.com.ph/-/media/pdf/documents/source-documents-2021/General-Information-Sheet202225-March-2022Final-public.pdf#page=5</a></li> </ol>	<p>Amb. Jose L. Cuisia, non- executive Director, possesses all the qualifications of an independent director as defined in Insurance Commission Circular Letter 71-2020, the Revised Code of Corporate Governance. He, however, is not an independent director due to his former consultancy with FWD ending 30 June 2020. Per IC CL 71-2020, an independent director is one who was not retained as consultant during the past three (3) years of his election.</p>
<p><b>3. The Chairman of the BROC is not the Chairman of the Board or of any other committee.</b></p>	<p>Compliant</p>	<p>Atty. Lilia de Lima is the Chairperson of the Risk Committee and not of the Board or any other Committee.</p> <p>Please see page 4 of the 2022 GIS. <a href="https://www.fwd.com.ph/-/media/pdf/documents/source-documents-2021/General-Information-Sheet202225-March-2022Final-public.pdf#page=5">https://www.fwd.com.ph/-/media/pdf/documents/source-documents-2021/General-Information-Sheet202225-March-2022Final-public.pdf#page=5</a></p>	

<p><b>4. At least 1 member of the BROCC has relevant thorough knowledge and experience on risk and risk management.</b></p>	<p>Compliant</p>	<p>The Members of the Risk Committee have the requisite knowledge and experience on risk and risk management.</p> <p>Please see pages 52-55 of the 2021 AR for the Profiles of the Board of Directors.  <a href="https://www.fwd.com.ph/-/media/pdf/documents/fwd-ph-annual-report-2021-2.pdf?rev=20b476bd356540fe93fb6a0b02ccb947#page=52">https://www.fwd.com.ph/-/media/pdf/documents/fwd-ph-annual-report-2021-2.pdf?rev=20b476bd356540fe93fb6a0b02ccb947#page=52</a></p>	
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### Recommendation 3.5

1. Board establishes an RPT Committee, which is tasked with reviewing all material related party transactions of the company.

Compliant

The Board established the RPT Committee, which evaluates on an ongoing basis, the existing relations between and among businesses and counterparties to ensure that all related parties are continuously identified, RPTs are monitored and subsequent changes in relationships shall be reflected in the relevant reports to the Board and the Company's regulators. It likewise evaluates material RPTs to that these are not undertaken on more favorable economic terms to such related parties than similar transactions with non-related parties under similar circumstances.

Please see:

1. Paragraph II.E.3 of the CGM on Related Party Transactions Committee;  
<https://www.fwd.com.ph/-/media/pdf/documents/source-documents-2021/FWD-Corporate-Governance-Manual-2020-December.pdf#page=23>
2. Paragraph II.G.3.f of the CGM on Related Party Transactions; and  
<https://www.fwd.com.ph/-/media/pdf/documents/source-documents-2021/FWD-Corporate-Governance-Manual-2020-December.pdf#page=27>
3. Paragraph 1 of the Company's Related Party Transactions Committee Terms of Reference ("RPTC TOR").  
<https://www.fwd.com.ph/-/media/pdf/documents/source-documents-2021/FWD-Related-Party-Transactions-Committee-Terms-of-Reference-2020-December.pdf#page=3>

<p><b>2. RPT Committee is composed of at least 3 non-executive directors, majority of whom should be independent, including the Chairman.</b></p>	<p>Non-Compliant</p>	<p>The RPT Committee is composed of Amb. Jose L. Cuisia (Non-executive Director) as Chairman, Atty. Leo G. Dominguez (Lead Independent Director) and Mr. Vicente Castillo (Independent Director) as members).</p> <p>Please see:</p> <ol style="list-style-type: none"> <li>1. Paragraphs II.E.3.a to II.E.3.b of the CGM on RPT Committee; and <a href="https://www.fwd.com.ph/-/media/pdf/documents/source-documents-2021/FWD-Corporate-Governance-Manual-2020-December.pdf#page%20=23">https://www.fwd.com.ph/-/media/pdf/documents/source-documents-2021/FWD-Corporate-Governance-Manual-2020-December.pdf#page%20=23</a></li> <li>2. Page 4 of the 2022 GIS. <a href="https://www.fwd.com.ph/-/media/pdf/documents/source-documents-2021/General-Information-Sheet202225-March-2022Final-public.pdf#page=5">https://www.fwd.com.ph/-/media/pdf/documents/source-documents-2021/General-Information-Sheet202225-March-2022Final-public.pdf#page=5</a></li> </ol>	<p>Amb. Jose L. Cuisia, non- executive Director, possesses all the qualifications of an independent director as defined in Insurance Commission Circular Letter 71-2020, the Revised Code of Corporate Governance. He, however, is not an independent director due to his former consultancy with FWD ending 30 June 2020. Per IC CL 71-2020, an independent director is one who was not retained as consultant during the past three (3) years of his election.</p>
<p><b>Recommendation 3.6</b></p>			
<p><b>1. All established committees have Committee Charters stating in plain terms their respective purposes, memberships, structures, operations, reporting process, resources and other relevant information.</b></p>	<p>Compliant</p>	<p>All Board Committees have Terms of Reference (TORs) to guide the Committees in the performance of their functions.</p> <p>Please see:</p> <ol style="list-style-type: none"> <li>1. AC TOR; <a href="https://www.fwd.com.ph/-/media/pdf/documents/source-documents-2021/FWD-Audit-Committee-Terms-of-Reference-2020-December.pdf">https://www.fwd.com.ph/-/media/pdf/documents/source-documents-2021/FWD-Audit-Committee-Terms-of-Reference-2020-December.pdf</a></li> <li>2. CGC TOR; <a href="https://www.fwd.com.ph/-/media/pdf/documents/source-documents-2021/FWD-Corporate-Governance-Committee-Terms-of-Reference-2020-December.pdf">https://www.fwd.com.ph/-/media/pdf/documents/source-documents-2021/FWD-Corporate-Governance-Committee-Terms-of-Reference-2020-December.pdf</a></li> </ol>	

		<p>3. RPTC TOR; and  <a href="https://www.fwd.com.ph/-/media/pdf/documents/source-documents-2021/FWD-Related-Party-Transactions-Committee-Terms-of-Reference-2020-December.pdf">https://www.fwd.com.ph/-/media/pdf/documents/source-documents-2021/FWD-Related-Party-Transactions-Committee-Terms-of-Reference-2020-December.pdf</a></p> <p>4. RC TOR.  <a href="https://www.fwd.com.ph/-/media/pdf/documents/source-documents-2021/FWD-PH-Risk-Committee-Terms-of-Reference-v6.pdf">https://www.fwd.com.ph/-/media/pdf/documents/source-documents-2021/FWD-PH-Risk-Committee-Terms-of-Reference-v6.pdf</a></p>	
<p>2. Committee Charters provide standards for evaluating the performance of the Committees.</p>	Compliant	<p>The TORs provide the functions of the Committees, to guide the members in the performance of their functions. Their performance as a committee is evaluated at least annually.</p> <p>Please see:</p> <p>1. Paragraph h.19 of the AC TOR;  <a href="https://www.fwd.com.ph/-/media/pdf/documents/source-documents-2021/FWD-Audit-Committee-Terms-of-Reference-2020-December.pdf#page=9">https://www.fwd.com.ph/-/media/pdf/documents/source-documents-2021/FWD-Audit-Committee-Terms-of-Reference-2020-December.pdf#page=9</a></p> <p>2. Paragraph J.22 of the CGC TOR;  <a href="https://www.fwd.com.ph/-/media/pdf/documents/source-documents-2021/FWD-Corporate-Governance-Committee-Terms-of-Reference-2020-December.pdf#page=11">https://www.fwd.com.ph/-/media/pdf/documents/source-documents-2021/FWD-Corporate-Governance-Committee-Terms-of-Reference-2020-December.pdf#page=11</a></p> <p>3. Paragraph 17 of the RPTC TOR; and  <a href="https://www.fwd.com.ph/-/media/pdf/documents/source-documents-2021/FWD-Related-Party-Transactions-Committee-Terms-of-Reference-2020-December.pdf#page=6">https://www.fwd.com.ph/-/media/pdf/documents/source-documents-2021/FWD-Related-Party-Transactions-Committee-Terms-of-Reference-2020-December.pdf#page=6</a></p>	

		4. Paragraph 5.8 of the RC TOR. <a href="https://www.fwd.com.ph/-/media/pdf/documents/source-documents-2021/FWD-PH-Risk-Committee-Terms-of-Reference-v6.pdf#page=7">https://www.fwd.com.ph/-/media/pdf/documents/source-documents-2021/FWD-PH-Risk-Committee-Terms-of-Reference-v6.pdf#page=7</a>	
3. Committee Charters were fully disclosed on the company's website.	Compliant	The Committee TORs are all uploaded on the Company website. <a href="https://www.fwd.com.ph/about/corporate-governance/">https://www.fwd.com.ph/about/corporate-governance/</a>	
<b>Principle 4: To show full commitment to the company, the directors should devote the time and attention necessary to properly and effectively perform their duties and responsibilities, including sufficient time to be familiar with the corporation's business.</b>			
<b>Recommendation 4.1</b>			
1. The Directors attends and actively participates in all meetings of the Board, Committees and shareholders in person or through tele/videoconferencing conducted in accordance with the rules and regulations of the Commission.	Compliant	<p>In view of the COVID-19 Pandemic and to ensure the safety of the Directors and employees of the Company, all meetings in 2020 were conducted via remote communications, in compliance with the rules of the Securities and Exchange Commission and the prescribed guidelines in the CGM.</p> <p>Materials on the Board and Committee meetings were sent to the Directors at least five (5) business days prior to the meeting to allow sufficient time for review. During the meeting, Directors were encouraged to participate meaningfully by asking questions and clarifications.</p>	
2. The directors review meeting materials for all Board and Committee Meetings.	Compliant		
3. The directors ask the necessary questions or seek clarifications and explanations during the Board and Committee meetings.	Compliant	<p>Please see:</p> <p>1. Paragraph II.D.2 of the CGM on the Conduct of Board Meetings; <a href="https://www.fwd.com.ph/-/media/pdf/documents/source-documents-2021/FWD-Corporate-Governance-Manual-2020-December.pdf#page=17">https://www.fwd.com.ph/-/media/pdf/documents/source-documents-2021/FWD-Corporate-Governance-Manual-2020-December.pdf#page=17</a></p>	

		<ol style="list-style-type: none"> <li>Paragraph II.C.2.d of the CGM on Individual Responsibilities; and  <a href="https://www.fwd.com.ph/-/media/pdf/documents/source-documents-2021/FWD-Corporate-Governance-Manual-2020-December.pdf#page=13">https://www.fwd.com.ph/-/media/pdf/documents/source-documents-2021/FWD-Corporate-Governance-Manual-2020-December.pdf#page=13</a></li> <li>Page 56 of the 2021 AR on the Overview of the Board's Responsibilities.  <a href="https://www.fwd.com.ph/-/media/pdf/documents/fwd-ph-annual-report-2021-2.pdf?rev=20b476bd356540fe93fb6a0b02ccb947#page=56">https://www.fwd.com.ph/-/media/pdf/documents/fwd-ph-annual-report-2021-2.pdf?rev=20b476bd356540fe93fb6a0b02ccb947#page=56</a></li> </ol>	
<b>Recommendation 4.2</b>			
<b>1. Non-executive directors concurrently serve as directors to a maximum of 5 Insurance Commission Regulated Entities and publicly-listed companies to ensure that they have sufficient time to fully prepare for meetings, challenge Management's proposals/views, and oversee the long-term strategy of the company.</b>	Compliant	<p>All Directors are members of not more than 5 publicly listed companies and Insurance Commission Regulated Entities, pursuant to the CGM, to allow them to devote a sufficient time to perform their responsibilities as Directors of the Company.</p> <p>Please see:</p> <ol style="list-style-type: none"> <li>Paragraph II.B.1 of the CGM on Board Membership; and  <a href="https://www.fwd.com.ph/-/media/pdf/documents/source-documents-2021/FWD-Corporate-Governance-Manual-2020-December.pdf#page=7">https://www.fwd.com.ph/-/media/pdf/documents/source-documents-2021/FWD-Corporate-Governance-Manual-2020-December.pdf#page=7</a></li> <li>Pages 52-55 of the 2021 AR for the Profiles of the Board of Directors.  <a href="https://www.fwd.com.ph/-/media/pdf/documents/fwd-ph-annual-report-2021-2.pdf?rev=20b476bd356540fe93fb6a0b02ccb947#page=56">https://www.fwd.com.ph/-/media/pdf/documents/fwd-ph-annual-report-2021-2.pdf?rev=20b476bd356540fe93fb6a0b02ccb947#page=56</a></li> </ol>	



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#### Recommendation 4.3

1. The directors notify the company's board where he/she is an incumbent director before accepting a directorship in another company.

Compliant

In the event any of the Directors are nominated for directorships in other companies, they must first notify the Board before accepting the same and undertake that the acceptance of the nomination will not prevent them from diligently carrying out their duties to FWD.

Please see paragraph II.B.1 of the CGM on Board Membership.

<https://www.fwd.com.ph/-/media/pdf/documents/source-documents-2021/FWD-Corporate-Governance-Manual-2020-December.pdf#page=6>

**Principle 5: The board should endeavor to exercise an objective and independent judgment on all corporate affairs.**

#### Recommendation 5.1

1. The Board is composed of at least 20% independent directors.

Compliant

Three of the seven seats of the Board are occupied by independent directors, namely: Atty. Leo G. Dominguez, Atty. Lilia B. de Lima, and Mr. Vicente B. Castillo.

Please see:

1. Pages 52-55 of the 2021 AR for the Profiles of the Board of Directors; and  
<https://www.fwd.com.ph/-/media/pdf/documents/fwd-ph-annual-report-2021-2.pdf?rev=20b476bd356540fe93fb6a0b02cc&b947#page=52>
2. Page 4 of the 2022 GIS.  
<https://www.fwd.com.ph/-/media/pdf/documents/source-documents-2021/General-Information-Sheet202225-March-2022Final-public.pdf#page=5>

Recommendation 5.2			
1. The independent directors possess all the necessary qualifications and none of the disqualifications to hold the position.	Compliant	<p>All independent directors possess all the qualifications and none of the disqualifications to hold their positions.</p> <p>Please see pages 52-55 of the 2021 AR for the Profiles of the Board of Directors.</p> <p><a href="https://www.fwd.com.ph/-/media/pdf/documents/fwd-ph-annual-report-2021-2.pdf?rev=20b476bd356540fe93fb6a0b02ccb947#page=52">https://www.fwd.com.ph/-/media/pdf/documents/fwd-ph-annual-report-2021-2.pdf?rev=20b476bd356540fe93fb6a0b02ccb947#page=52</a></p>	
Recommendation 5.3			
1. The independent directors serve for a maximum cumulative term of 9 years. As far as Insurance Companies are concerned, the foregoing term limit shall be reckoned from 2 January 2015.	Compliant	<p>None of the independent directors have held such positions for longer than 9 years from 2 January 2015.</p> <p>Independent Directors are prohibited from serving in such capacity if their tenure as such has exceeded 9 years. Exceptionally, an independent director may be re-elected as such despite having already served the maximum term if the Board has meritorious justification, obtains shareholder approval, and submits proof of compliance with both requirements to the Insurance Commission ("IC").</p>	
2. The company bars an independent director from serving in such capacity after the term limit of 9 years.	Compliant		

<p>3. In the instance that the company retains an independent director in the same capacity after 9 years, the board submits to the Insurance Commission a formal written justification and seek shareholders' approval during the annual shareholders' meeting.</p>	<p>Compliant</p>	<p>Please see:</p> <ol style="list-style-type: none"> <li>1. Paragraph II.A.2.b of the CGM on Term Limit; and <a href="https://www.fwd.com.ph/-/media/pdf/documents/source-documents-2021/FWD-Corporate-Governance-Manual-2020-December.pdf#page=6">https://www.fwd.com.ph/-/media/pdf/documents/source-documents-2021/FWD-Corporate-Governance-Manual-2020-December.pdf#page=6</a></li> <li>2. Page 52-55 of the 2021 AR for the Profiles of the Board of Directors and their appointment dates. <a href="https://www.fwd.com.ph/-/media/pdf/documents/fwd-ph-annual-report-2021-2.pdf?rev=20b476bd356540fe93fb6a0b02ccb947#page=52">https://www.fwd.com.ph/-/media/pdf/documents/fwd-ph-annual-report-2021-2.pdf?rev=20b476bd356540fe93fb6a0b02ccb947#page=52</a></li> </ol>	
<p><b>Recommendation 5.4</b></p>			
<p>1. The positions of Chairman of the Board and CEO are held by separate individuals.</p>	<p>Compliant</p>	<p>Amb. Jose L. Cuisia Jr. is the duly elected Chairman of the Board while Mr. Zhuang Li Hao is the duly elected President &amp; Chief Executive Officer. Their respective responsibilities are defined in the Company's CGM.</p>	
<p>2. The Chairman of the Board and CEO have clearly defined responsibilities.</p>	<p>Compliant</p>	<p>Please see:</p> <ol style="list-style-type: none"> <li>1. Paragraphs II.A.1, II.C.3, and II.C.4 of the CGM; <a href="https://www.fwd.com.ph/-/media/pdf/documents/source-documents-2021/FWD-Corporate-Governance-Manual-2020-December.pdf#page=5">https://www.fwd.com.ph/-/media/pdf/documents/source-documents-2021/FWD-Corporate-Governance-Manual-2020-December.pdf#page=5</a>  <a href="https://www.fwd.com.ph/-/media/pdf/documents/source-documents-2021/FWD-Corporate-Governance-Manual-2020-December.pdf#page=14">https://www.fwd.com.ph/-/media/pdf/documents/source-documents-2021/FWD-Corporate-Governance-Manual-2020-December.pdf#page=14</a>  <a href="https://www.fwd.com.ph/-">https://www.fwd.com.ph/-</a></li> </ol>	

		<a href="/media/pdf/documents/source-documents-2021/FWD-Corporate-Governance-Manual-2020-December.pdf#page=15">/media/pdf/documents/source-documents-2021/FWD-Corporate-Governance-Manual-2020-December.pdf#page=15</a> 2. Pages 52-55 of the 2021 AR for the Profiles of the Board of Directors; and <a href="https://www.fwd.com.ph/-/media/pdf/documents/fwd-ph-annual-report-2021-2.pdf?rev=20b476bd356540fe93fb6a0b02ccb947#page=52">https://www.fwd.com.ph/-/media/pdf/documents/fwd-ph-annual-report-2021-2.pdf?rev=20b476bd356540fe93fb6a0b02ccb947#page=52</a> 3. Page 4 of the 2022 GIS. <a href="https://www.fwd.com.ph/-/media/pdf/documents/source-documents-2021/General-Information-Sheet202225-March-2022Final-public.pdf#page=5">https://www.fwd.com.ph/-/media/pdf/documents/source-documents-2021/General-Information-Sheet202225-March-2022Final-public.pdf#page=5</a>	
<b>Recommendation 5.5</b>			
1. The Board should designate a lead director among the independent directors if the Chairman of the Board is not an independent director or where the roles of Chairman and CEO are being held by one person.	Compliant	The Board has designated Atty. Leo G. Dominguez as Lead Independent Director.  Please see:  1. Paragraph II.A.1 of the CGM on The Chairman and Chief Executive Director; <a href="https://www.fwd.com.ph/-/media/pdf/documents/source-documents-2021/FWD-Corporate-Governance-Manual-2020-December.pdf#page%20=5">https://www.fwd.com.ph/-/media/pdf/documents/source-documents-2021/FWD-Corporate-Governance-Manual-2020-December.pdf#page%20=5</a> 2. Paragraph II.C.5 of the CGM on Lead Independent Director: and <a href="https://www.fwd.com.ph/-/media/pdf/documents/source-documents-2021/FWD-Corporate-Governance-Manual-2020-December.pdf#page%20=15">https://www.fwd.com.ph/-/media/pdf/documents/source-documents-2021/FWD-Corporate-Governance-Manual-2020-December.pdf#page%20=15</a> 3. Pages 52-55 of the 2021 AR for the Profiles of the Board of Directors. <a href="https://www.fwd.com.ph/-/media/pdf/documents/fwd-ph-annual-report-2021-2.pdf?rev=20b476bd356540fe93fb6a0b02ccb947#page=52">https://www.fwd.com.ph/-/media/pdf/documents/fwd-ph-annual-report-2021-2.pdf?rev=20b476bd356540fe93fb6a0b02ccb947#page=52</a>	

		<a href="/media/pdf/documents/fwd-ph-annual-report-2021-2.pdf?rev=20b476bd356540fe93fb6a0b02ccb947#page=52">/media/pdf/documents/fwd-ph-annual-report-2021-2.pdf?rev=20b476bd356540fe93fb6a0b02ccb947#page=52</a>	
<b>Recommendation 5.6</b>			
1. Directors with material interest in a transaction affecting the corporation should abstain from taking part in the deliberations for the same.	Compliant	<p>No Director has had a material interest in a transaction affecting the Company.</p> <p>Please see paragraph II.C.2.a of the CGM on Individual Responsibilities.  <a href="https://www.fwd.com.ph/-/media/pdf/documents/source-documents-2021/FWD-Corporate-Governance-Manual-2020-December.pdf#page%20=13">https://www.fwd.com.ph/-/media/pdf/documents/source-documents-2021/FWD-Corporate-Governance-Manual-2020-December.pdf#page%20=13</a></p>	
<b>Recommendation 5.7</b>			
1. Non-executive directors (NED) have separate periodic meetings with the external auditor and heads of the internal audit, compliance and risk functions, without any executive directors present to ensure that proper checks and balances are in place within the corporation.	Non-compliant		<p>The Company did not conduct separate meetings of the non-executive directors for the year 2021 because:</p> <ol style="list-style-type: none"> <li>1. There were no matters arising from the last NED meeting held on 03 December 2020 as well as from the quarterly Committee and Board Meetings;</li> <li>2. The Lead Independent Director, as concurred to by the other Directors, did not have matters to discuss at a NED meeting since: <ol style="list-style-type: none"> <li>a. the Audit Committee regularly conducts meetings with internal and external auditors without the presence of Management;</li> </ol> </li> </ol>
2. The meetings are chaired by the lead independent director.	Non-compliant		

			<p>b. The executive director does not attend the Audit and Risk Committee meetings where the internal control and risk management are discussed.</p>
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**Principle 6: The best measure of the Board's effectiveness is through an assessment process. The Board should regularly carry out evaluations to appraise its performance as a body, and assess whether it possesses the right mix of backgrounds and competencies.**

#### Recommendation 6.1

1. The Board conducts an annual assessment of its performance as a whole.	Compliant	<p>The Board conducts annual assessments of the Board Committees, its respective chairpersons, the Board of Directors as a collective body, and the Directors as individuals. The results of these assessments for the year 2020 were reported to the Board on 22 March 2021.</p> <p>Please see:</p> <ol style="list-style-type: none"> <li>Paragraph II.B.5 of the CGM on Performance Evaluation; and  <a href="https://www.fwd.com.ph/-/media/pdf/documents/source-documents-2021/FWD-Corporate-Governance-Manual-2020-December.pdf#page%20=10">https://www.fwd.com.ph/-/media/pdf/documents/source-documents-2021/FWD-Corporate-Governance-Manual-2020-December.pdf#page%20=10</a></li> <li>Page 57 of the 2021 AR for the Process of Our Directors' Evaluations and Appraisals.  <a href="https://www.fwd.com.ph/-/media/pdf/documents/fwd-ph-annual-report-2021-2.pdf?rev=20b476bd356540fe93fb6a0b02cb947#page=57">https://www.fwd.com.ph/-/media/pdf/documents/fwd-ph-annual-report-2021-2.pdf?rev=20b476bd356540fe93fb6a0b02cb947#page=57</a></li> </ol>	
2. The performance of the Chairman is assessed annually by the Board.	Compliant		
3. The performance of the individual member of the Board is assessed annually by the Board.	Compliant		
4. The performance of each committee is assessed annually by the Board.	Compliant		
5. Every three years, the assessments are supported by an external facilitator.	Compliant	<p>The Company recognizes this new requirement and assures that in 2023, or three years from the date of issuance of IC CL Nos. 2020-71 and 2020-72, an externally facilitated assessment shall be conducted.</p>	

#### Recommendation 6.2

1. The Board has in place a system that provides, at the minimum, a criteria and process to determine the performance of the Board, individual directors and	Compliant	<p>The CGM provides the criteria for evaluation of the Board and its Committees, for the respective chairpersons, and its individual directors.</p> <p>Please see paragraph II.B.5 of the CGM on</p>	
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committees.		Performance Evaluation. <a href="https://www.fwd.com.ph/-/media/pdf/documents/source-documents-2021/FWD-Corporate-Governance-Manual-2020-December.pdf#page%20=10">https://www.fwd.com.ph/-/media/pdf/documents/source-documents-2021/FWD-Corporate-Governance-Manual-2020-December.pdf#page%20=10</a>	
2. The system allows for a feedback mechanism from the shareholders.	Compliant	Shareholders are given the opportunity to provide feedback on the performance of the Board and Committees and their respective members during any shareholders' meeting or by submitting written feedback to the Board or concerned Committee, or through the Compliance Officer  Please see paragraph II.B.5 of the CGM on Performance Evaluation. <a href="https://www.fwd.com.ph/-/media/pdf/documents/source-documents-2021/FWD-Corporate-Governance-Manual-2020-December.pdf#page%20=10">https://www.fwd.com.ph/-/media/pdf/documents/source-documents-2021/FWD-Corporate-Governance-Manual-2020-December.pdf#page%20=10</a>	
<b>Principle 7: Members of the Board are duty-bound to apply high ethical standards, taking into account the interests of all stakeholders.</b>			
<b>Recommendation 7.1</b>			
1. The Board adopts a Code of Business Conduct and Ethics, which provides standards for professional and ethical behavior, as well as articulate acceptable and unacceptable conduct and practices in internal and external dealings of the company.	Compliant	The Company established the Code of Business Ethics and Conduct ("Code") to ensure all actions and decisions are measured and made against high ethical standards.  The Code is disseminated to the Board, senior management, and employees by requiring them to study and pass a learning course on the Code upon onboarding, and every year thereafter. The Code is likewise made available on the Company's website.	
2. The Code is properly disseminated to the Board, senior management and employees.	Compliant	Please see:  1. Pages 63 of the 2021 AR for the Compliance Engagement Initiatives; and	



3. The Code is disclosed and made available to the public through the company website.	Compliant	<a href="https://www.fwd.com.ph/-/media/pdf/documents/fwd-ph-annual-report-2021-2.pdf?rev=20b476bd356540fe93fb6a0b02ccb947#page=63">https://www.fwd.com.ph/-/media/pdf/documents/fwd-ph-annual-report-2021-2.pdf?rev=20b476bd356540fe93fb6a0b02ccb947#page=63</a> 2. The Code is uploaded to the Company's Website. <a href="https://www.fwd.com.ph/about/corporate-governance/">https://www.fwd.com.ph/about/corporate-governance/</a>	
<b>Recommendation 7.2</b>			
1. The Board ensures the proper and efficient implementation and monitoring of compliance with the Code.	Compliant	The Board monitors compliance with the Company's Code, as well as other policies and standards.  Please see paragraphs II.C.d. and II.C.e of the CGM on Collective Responsibilities. <a href="https://www.fwd.com.ph/-/media/pdf/documents/source-documents-2021/FWD-Corporate-Governance-Manual-2020-December.pdf#page=12">https://www.fwd.com.ph/-/media/pdf/documents/source-documents-2021/FWD-Corporate-Governance-Manual-2020-December.pdf#page=12</a>	
2. The Board ensures the proper and efficient implementation and monitoring of compliance with company internal policies.	Compliant		
<b>Disclosure and Transparency</b>			
<b>Principle 8: The company should establish corporate disclosure policies and procedures that are practical and in accordance with best practices and regulatory expectations.</b>			
<b>Recommendation 8.1</b>			

<p>1. The Board establishes corporate disclosure policies and procedures to ensure a comprehensive, accurate, reliable and timely report to shareholders and other stakeholders that gives a fair and complete picture of a company's financial condition, results and business operations.</p>	<p>Compliant</p>	<p>The Board ensures it has a timely and accurate disclosure of all material matters, including the financial condition, performance, ownership, and governance of the Company.</p> <p>Please see paragraph II.G.1.a of the CGM on Financial Reporting.</p> <p><a href="https://www.fwd.com.ph/-/media/pdf/documents/source-documents-2021/FWD-Corporate-Governance-Manual-2020-December.pdf#page=26">https://www.fwd.com.ph/-/media/pdf/documents/source-documents-2021/FWD-Corporate-Governance-Manual-2020-December.pdf#page=26</a></p>	
<p><b>Recommendation 8.3</b></p>			
<p>1. The Board fully discloses all relevant and material information on individual board members to evaluate their experience and qualifications, and assess any potential conflicts of interest that might affect their judgment.</p>	<p>Compliant</p>	<p>Before their election as directors and company officers, candidates submit their qualifications to the CG Committee. They are likewise transparent on any possible disqualifications, material interests in transactions, and other background information to apprise the CG Committee on their overall qualification.</p> <p>Please see:</p>	
<p>2. The Board fully discloses all relevant and material information on key executives to evaluate their experience and qualifications and assess any potential conflicts of interest that might affect their judgment.</p>	<p>Compliant</p>	<ol style="list-style-type: none"> <li>Paragraph F.15.g and h of the CGC TOR on Nomination and Election of Directors and Senior Executives; <a href="https://www.fwd.com.ph/-/media/pdf/dhttps://www.fwd.com.ph/-/media/pdf/documents/source-documents-2021/FWD-Corporate-Governance-Manual-2020-December.pdfdocuments/source-documents-2021/FWD-Corporate-Governance-Committee-Terms-of-Reference-2020-December.pdf#page=7">https://www.fwd.com.ph/-/media/pdf/dhttps://www.fwd.com.ph/-/media/pdf/documents/source-documents-2021/FWD-Corporate-Governance-Manual-2020-December.pdfdocuments/source-documents-2021/FWD-Corporate-Governance-Committee-Terms-of-Reference-2020-December.pdf#page=7</a></li> <li>Pages 52-55 of the 2021 AR for the Profiles of the Board of Directors; and <a href="https://www.fwd.com.ph/-/media/pdf/documents/fwd-ph-annual-report-2021-">https://www.fwd.com.ph/-/media/pdf/documents/fwd-ph-annual-report-2021-</a></li> </ol>	

		<a href="https://www.fwd.com.ph/-/media/pdf/documents/fwd-ph-annual-report-2021-2.pdf?rev=20b476bd356540fe93fb6a0b02ccb947#page=52">2.pdf?rev=20b476bd356540fe93fb6a0b02ccb947#page=52</a> 3. Pages 32-37 of the 2021 AR for the Profiles of the Senior Management Team. <a href="https://www.fwd.com.ph/-/media/pdf/documents/fwd-ph-annual-report-2021-2.pdf?rev=20b476bd356540fe93fb6a0b02ccb947#page=32">https://www.fwd.com.ph/-/media/pdf/documents/fwd-ph-annual-report-2021-2.pdf?rev=20b476bd356540fe93fb6a0b02ccb947#page=32</a>	
<b>Recommendation 8.4</b>			
1. Company provides a clear disclosure of its policies and procedure for setting Board remuneration, including the level and mix of the same in the ACGR consistent with the ACGS and the Revised Corporation Code.	Compliant	The Company's remuneration policy considers the salaries paid by comparable companies, the time commitment and responsibilities of the Directors, and remuneration levels with the FWD Group.  Please see paragraph F.15.u of the CGC TOR on Remuneration of Directors. <a href="https://www.fwd.com.ph/-/media/pdf/dhttps://www.fwd.com.ph/-/media/pdf/documents/source-documents-2021/FWD-Corporate-Governance-Manual-2020-December.pdfdocuments/source-documents-2021/FWD-Corporate-Governance-Committee-Terms-of-Reference-2020-December.pdf#page=8">https://www.fwd.com.ph/-/media/pdf/dhttps://www.fwd.com.ph/-/media/pdf/documents/source-documents-2021/FWD-Corporate-Governance-Manual-2020-December.pdfdocuments/source-documents-2021/FWD-Corporate-Governance-Committee-Terms-of-Reference-2020-December.pdf#page=8</a>	

<p>2. Company provides a clear disclosure of its policies and procedure for setting Executive remuneration, including the level and mix of the same in the ACGR consistent with the ACGS and the Revised Corporation Code.</p>	<p>Compliant</p>	<p>The remuneration of Senior Executives is performance-based. It is likewise based on salary tier limits approved by the Board. Tier limits are periodically reviewed by the Chief People and Culture Officer, or such other person as may be authorized by the CG Committee. the Board approves revisions to the salary tier limits as may be necessary.</p> <p>Please see paragraph F.15.y to dd of the CGC TOR on Remuneration of Senior Executives.  <a href="https://www.fwd.com.ph/-/media/pdf/documents/source-documents-2021/FWD-Corporate-Governance-Manual-2020-December.pdf">https://www.fwd.com.ph/-/media/pdf/documents/source-documents-2021/FWD-Corporate-Governance-Manual-2020-December.pdf</a>  <a href="https://www.fwd.com.ph/-/media/pdf/documents/source-documents-2021/FWD-Corporate-Governance-Committee-Terms-of-Reference-2020-December.pdf#page=9">https://www.fwd.com.ph/-/media/pdf/documents/source-documents-2021/FWD-Corporate-Governance-Committee-Terms-of-Reference-2020-December.pdf#page=9</a></p>	
<p>2. Company discloses the remuneration of directors on an individual basis, including termination and retirement provisions.</p>	<p>Compliant</p>	<p>The remuneration of directors is disclosed in page 57 of the 2021 AR for the Remuneration of Directors. The remuneration is aggregated for data privacy and security reasons. The Company shall disclose the individual remuneration of directors to the regulator upon request.  <a href="https://www.fwd.com.ph/-/media/pdf/documents/fwd-ph-annual-report-2021-2.pdf?rev=20b476bd356540fe93fb6a0b02ccb947#page=57">https://www.fwd.com.ph/-/media/pdf/documents/fwd-ph-annual-report-2021-2.pdf?rev=20b476bd356540fe93fb6a0b02ccb947#page=57</a></p>	
<p><b>Recommendation 8.5</b></p>			
<p>1. Company discloses its policies governing Related Party Transactions (RPT) and other unusual or infrequently occurring transactions.</p>	<p>Compliant</p>	<p>The Company discloses its RPTs in its Audited Financial Statements. RPTs are reviewed and approved by the Board, as may be recommended by the RPT Committee.</p> <p>Please see:</p> <p>1. Paragraph II.G.3.a and II.G.3.c of the CGM on</p>	

2. Company discloses material or significant RPTs in its Annual Company Report or ACGR, reviewed and approved by the Board, and submitted for confirmation by majority vote of the stockholders in the annual stockholders' meeting during the year.	Compliant	<p>Related Party Transactions; <a href="https://www.fwd.com.ph/-/media/pdf/documents/source-documents-2021/FWD-Corporate-Governance-Manual-2020-December.pdf#page=27">https://www.fwd.com.ph/-/media/pdf/documents/source-documents-2021/FWD-Corporate-Governance-Manual-2020-December.pdf#page=27</a></p> <p>2. Page 62 of the 2021 AR for the Related Party Transactions Policy; <a href="https://www.fwd.com.ph/-/media/pdf/documents/fwd-ph-annual-report-2021-2.pdf?rev=20b476bd356540fe93fb6a0b02ccb947#page=62">https://www.fwd.com.ph/-/media/pdf/documents/fwd-ph-annual-report-2021-2.pdf?rev=20b476bd356540fe93fb6a0b02ccb947#page=62</a></p> <p>3. Paragraph 10 of the RPT Policy; and <a href="https://www.fwd.com.ph/-/media/pdf/documents/source-documents-2021/FWD-Related-Party-Transactions-Policy-2020-June.pdf#page=5">https://www.fwd.com.ph/-/media/pdf/documents/source-documents-2021/FWD-Related-Party-Transactions-Policy-2020-June.pdf#page=5</a></p> <p>4. Page 128 of the 2021 AR, particularly Note 22 of the 2021 Audited Financial Statements. <a href="https://www.fwd.com.ph/-/media/pdf/documents/fwd-ph-annual-report-2021-2.pdf?rev=20b476bd356540fe93fb6a0b02ccb947#page=128">https://www.fwd.com.ph/-/media/pdf/documents/fwd-ph-annual-report-2021-2.pdf?rev=20b476bd356540fe93fb6a0b02ccb947#page=128</a></p>	Insurance
Recommendation 8.7			
1. Company's corporate governance policies, programs and procedures are contained in its MCG.	Compliant	The Company's CGM, containing its corporate governance policies, is posted on the website. <a href="https://www.fwd.com.ph/about/corporate-governance/">https://www.fwd.com.ph/about/corporate-governance/</a>	
2. Company's MCG is posted on its company website.	Compliant		
Principle 9: The company should establish standards for the appropriate selection of an external auditor, and exercise effective oversight of the same to strengthen the external auditor's independence and enhance audit quality.			
Recommendation 9.1			

1. Audit Committee has a robust process for approving and recommending the appointment, reappointment, removal and fees of the external auditors.	Compliant	The Audit Committee oversees the Company's relationship with the External Auditor, which includes the responsibility of approving the scope, discussing the findings, and supervising management's responses. Through this process, the Audit Committee can evaluate the external auditor's performance and to make recommendations to the Board for approval and to the Shareholders for ratification on the selection, appointment, reappointment, resignation and removal of the external auditor, its remuneration and terms of engagement, and to consider any issues arising from the foregoing.	
2. The appointment, reappointment, removal, and fees of the external auditor is recommended by the Audit Committee, approved by the Board and ratified by the shareholders.	Compliant	Please see paragraph F.15.i to F.15.n of the AC TOR on External Audit. <a href="https://www.fwd.com.ph/-/media/pdf/documents/source-documents-2021/FWD-Audit-Committee-Terms-of-Reference-2020-December.pdf#page=7">https://www.fwd.com.ph/-/media/pdf/documents/source-documents-2021/FWD-Audit-Committee-Terms-of-Reference-2020-December.pdf#page=7</a>	
2. For removal of the external auditor, the reasons for removal or change are disclosed to the regulators and the public through the company website and required disclosures.	Compliant	The Company has not removed an external auditor and has retained SGV&Co.	
Recommendation 9.2			

<p><b>1. Audit Committee Charter includes the Audit Committee's responsibility on:</b></p> <p><b>a. assessing the integrity and independence of external auditors;</b></p> <p><b>b. exercising effective oversight to review and monitor the external auditor's independence and objectivity;</b></p> <p><b>c. exercising effective oversight to review and monitor the effectiveness of the audit process, taking into consideration relevant Philippine professional and regulatory requirements; and</b></p> <p><b>d. reviewing and monitoring the external auditor's suitability and effectiveness on an annual basis.</b></p>	Compliant	<p>The Audit Committee TOR enumerates the oversight function of the Audit Committee on the External Audit, which includes, among others:</p> <ul style="list-style-type: none"> <li>a. assessing and monitoring the external auditor's qualifications, independence and objectivity, its performance and the effectiveness of the audit process in accordance with applicable auditing standards;</li> <li>b. approving the nature and scope of the external audit and the external auditor's reporting obligations; and</li> <li>c. overseeing FWD Philippines' relationship with the external auditor.</li> </ul> <p>Please see paragraphs F.15.i to F.15.n of the AC TOR on External Audit.  <a href="https://www.fwd.com.ph/-/media/pdf/documents/source-documents-2021/FWD-Audit-Committee-Terms-of-Reference-2020-December.pdf#page=7">https://www.fwd.com.ph/-/media/pdf/documents/source-documents-2021/FWD-Audit-Committee-Terms-of-Reference-2020-December.pdf#page=7</a></p>	
<b>Recommendation 9.3</b>			
<p><b>1. Company discloses the nature of non-audit services performed by its external auditor in the Annual Report to deal with the potential conflict of interest.</b></p>	Compliant	<p>The Company has not engaged its external auditor, SGV&amp;Co., for any non-audit service.</p> <p>Please also see paragraph II.E.1.f.xiv. of the CGM on Audit Committee.  <a href="https://www.fwd.com.ph/-/media/pdf/documents/source-documents-2021/FWD-Corporate-Governance-Manual-2020-">https://www.fwd.com.ph/-/media/pdf/documents/source-documents-2021/FWD-Corporate-Governance-Manual-2020-</a></p>	

		<a href="#">December.pdf#page=20</a>	
<b>2. Audit Committee stays alert for any potential conflict of interest situations, given the guidelines or policies on non-audit services, which could be viewed as impairing the external auditor's objectivity.</b>	Compliant	<p>The Audit Committee periodically holds meetings with the external auditors to discuss significant problems, reservations and findings arising from the audit process, and any matters the external auditor may wish to discuss, without the presence of Management.</p> <p>Please see paragraph F.15.m of the Audit Committee TOR.  <a href="https://www.fwd.com.ph/-/media/pdf/documents/source-documents-2021/FWD-Audit-Committee-Terms-of-Reference-2020-December.pdf#page=7">https://www.fwd.com.ph/-/media/pdf/documents/source-documents-2021/FWD-Audit-Committee-Terms-of-Reference-2020-December.pdf#page=7</a></p>	



**Principle 10: The company should ensure that the material and reportable non-financial and sustainability issues are disclosed.**

**Recommendation 10.1**

<p><b>1. The Board has a clear and focused policy on the disclosure of non-financial information, with emphasis on the management of economic, environmental, social and governance (EESG) issues of its business, which underpin sustainability.</b></p>	<p>Compliant</p>	<p>The Company's disclosure policy of its management of economic, environmental, social, and governance issues is disclosed in the Company's CGM.</p> <p>Together with FWD Group, the Company supports the United Nations' Sustainable Development Goals and adopts a strategy that aligns with our priority ESG issues.</p> <p>Please see:</p>	
<p><b>2. Company adopts a globally recognized standard/ framework in reporting sustainability and non-financial issues.</b></p>	<p>Compliant</p>	<ol style="list-style-type: none"> <li>Paragraph V.e of the CGM on Transparency and Disclosure; and <a href="https://www.fwd.com.ph/-/media/pdf/documents/source-documents-2021/FWD-Corporate-Governance-Manual-2020-December.pdf#page=29">https://www.fwd.com.ph/-/media/pdf/documents/source-documents-2021/FWD-Corporate-Governance-Manual-2020-December.pdf#page=29</a></li> <li>Pages 43-47 of the 2021 AR on Our ESG strategy. <a href="https://www.fwd.com.ph/-/media/pdf/documents/fwd-ph-annual-report-2021-2.pdf?rev=20b476bd356540fe93fb6a0b02ccb947#page=43">https://www.fwd.com.ph/-/media/pdf/documents/fwd-ph-annual-report-2021-2.pdf?rev=20b476bd356540fe93fb6a0b02ccb947#page=43</a></li> </ol>	

**Principle 11: The company should maintain a comprehensive and cost-efficient communication channel for disseminating relevant information. This channel is crucial for informed decision-making by investors, stakeholders and other interested users.**

Recommendation 11.1			
1. Company should have a website to ensure a comprehensive, cost efficient, transparent, and timely manner of disseminating relevant information to the public.	Compliant	The Company's website is <a href="http://www.fwd.com.ph">www.fwd.com.ph</a> .	
Internal Control System and Risk Management Framework			
Principle 12: To ensure the integrity, transparency and proper governance in the conduct of its affairs, the company should have a strong and effective internal control system and enterprise risk management framework.			
Recommendation 12.1			
1. Company has an adequate and effective internal control system in the conduct of its business.	Compliant	<p>The Audit Committee establishes the roles and responsibilities of the Internal Audit, which includes the submission of periodic reports to the Audit Committee containing the status and results of the internal audit program, significant control issues. This enables the Audit Committee to assess the overall adequacy of the control environment.</p> <p>Please see:</p> <ol style="list-style-type: none"> <li>Paragraph F.15.c to h of the AC TOR on Internal Audit; and  <a href="https://www.fwd.com.ph/-/media/pdf/documents/source-documents-2021/FWD-Audit-Committee-Terms-of-Reference-2020-December.pdf#page=6">https://www.fwd.com.ph/-/media/pdf/documents/source-documents-2021/FWD-Audit-Committee-Terms-of-Reference-2020-December.pdf#page=6</a></li> <li>Page 65 of the 2021 AR on Objective and Independent Internal Audit.  <a href="https://www.fwd.com.ph/-/media/pdf/documents/fwd-ph-annual-report-2021-2.pdf?rev=20b476bd356540fe93fb6a0b02ccb947#page=65">https://www.fwd.com.ph/-/media/pdf/documents/fwd-ph-annual-report-2021-2.pdf?rev=20b476bd356540fe93fb6a0b02ccb947#page=65</a></li> </ol>	

<p>2. Company has an adequate and effective enterprise risk management (ERM) framework in the conduct of its business.</p>	<p>Compliant</p>	<p>The Board approved the Company's Enterprise Risk Management in 2015, with annual review and updates, to define the Company's risk appetite along with its processes, culture, and the reliable practices to mitigate risks.</p> <p>The Company has embedded risk management in all aspects of business and maintains positive risk culture.</p> <p>Please see pages 63-64 of the 2021 AR on A Proactive Risk Culture.  <a href="https://www.fwd.com.ph/-/media/pdf/documents/fwd-ph-annual-report-2021-2.pdf?rev=20b476bd356540fe93fb6a0b02ccb947#page=63">https://www.fwd.com.ph/-/media/pdf/documents/fwd-ph-annual-report-2021-2.pdf?rev=20b476bd356540fe93fb6a0b02ccb947#page=63</a></p>	
<p><b>Recommendation 12.2</b></p>			
<p>1. Company has in place an independent internal audit function that provides an independent and objective assurance, and consulting services designed to add value and improve the company's operations.</p>	<p>Compliant</p>	<p>The Internal Audit function was established to provide the Board of Directors and management with an independent and objective assurance on the effectiveness of the Company's internal control system.</p> <p>Please see:</p> <ol style="list-style-type: none"> <li>1. Paragraphs F.15.c to F.15.h of the AC TOR; and  <a href="https://www.fwd.com.ph/-/media/pdf/documents/source-documents-2021/FWD-Audit-Committee-Terms-of-Reference-2020-December.pdf#page=6">https://www.fwd.com.ph/-/media/pdf/documents/source-documents-2021/FWD-Audit-Committee-Terms-of-Reference-2020-December.pdf#page=6</a></li> <li>2. Page 65 of the 2021 AR on Objective and Independent Internal Audit.  <a href="https://www.fwd.com.ph/-/media/pdf/documents/fwd-ph-annual-">https://www.fwd.com.ph/-/media/pdf/documents/fwd-ph-annual-</a></li> </ol>	

		<a href="#">report-2021-2.pdf?rev=20b476bd356540fe93fb6a0b02ccb947#page=65</a>	
<b>Recommendation 12.3</b>			
1. Company has a qualified Chief Audit Executive (CAE) appointed by the Board.	Compliant	The Internal Audit function is performed in-house. The Head of Internal Audit (HIA), Ame June Lim, oversees and is responsible for the internal audit activity.	
2. CAE oversees and is responsible for the internal audit activity of the organization, including that portion that is outsourced to a third-party service provider.	Compliant	To preserve objectivity and independence, the HIA reports functionally to the Audit Committee and administratively to the President & Chief Executive Officer.  Please see:	
3. In case of a fully outsourced internal audit activity, a qualified independent executive or senior management personnel is assigned the responsibility for managing the fully outsourced internal audit activity.	Compliant	1. Paragraph II.C.1.k of the CGM on Collective Responsibilities; and <a href="https://www.fwd.com.ph/-/media/pdf/documents/source-documents-2021/FWD-Corporate-Governance-Manual-2020-December.pdf#page=12">https://www.fwd.com.ph/-/media/pdf/documents/source-documents-2021/FWD-Corporate-Governance-Manual-2020-December.pdf#page=12</a> 2. Page 65 of the 2021 AR on Objective and Independent Internal Audit. <a href="https://www.fwd.com.ph/-/media/pdf/documents/fwd-ph-annual-report-2021-2.pdf?rev=20b476bd356540fe93fb6a0b02ccb947#page=65">https://www.fwd.com.ph/-/media/pdf/documents/fwd-ph-annual-report-2021-2.pdf?rev=20b476bd356540fe93fb6a0b02ccb947#page=65</a>	
<b>Recommendation 12.4</b>			
1. The company has a separate risk management function to identify, assess and monitor key risk exposures.	Compliant	The Company has an in-house risk function which identifies, assesses, and monitors key risk exposures as well as risk management strategies.  Please see:	

		<ol style="list-style-type: none"> <li>1. Page pages pages 63-64 of the 2021 AR on A Proactive Risk Culture; and  <a href="https://www.fwd.com.ph/-/media/pdf/documents/fwd-ph-annual-report-2021-2.pdf?rev=20b476bd356540fe93fb6a0b02ccb947#page=63">https://www.fwd.com.ph/-/media/pdf/documents/fwd-ph-annual-report-2021-2.pdf?rev=20b476bd356540fe93fb6a0b02ccb947#page=63</a></li> <li>2. Paragraph II.E.4.d of the CGM on Risk Committee.  <a href="https://www.fwd.com.ph/-/media/pdf/documents/source-documents-2021/FWD-Corporate-Governance-Manual-2020-December.pdf#page=24">https://www.fwd.com.ph/-/media/pdf/documents/source-documents-2021/FWD-Corporate-Governance-Manual-2020-December.pdf#page=24</a></li> </ol>	
<b>Recommendation 12.5</b>			
1. In managing the company's Risk Management System, the company has a Chief Risk Officer (CRO), who is the ultimate champion of the ERM.	Compliant	<p>The Company regularly appoints a Chief Risk Officer to head the Risk function, and acts as the ultimate champion of the ERM. The appointed Chief Risk Officer is Ms. Angela Rowley (a.k.a David Rowley).</p> <p>Please see:</p>	
2. CRO has adequate authority, stature, resources and support to fulfill his/her responsibilities.	Compliant	<ol style="list-style-type: none"> <li>1. Please see page 36 of the 2021 AR for the Profile of the Senior Management Team, particularly, the Profile of the Chief Risk Officer; and  <a href="https://www.fwd.com.ph/-/media/pdf/documents/fwd-ph-annual-report-2021-2.pdf?rev=20b476bd356540fe93fb6a0b02cccb947#page=36">https://www.fwd.com.ph/-/media/pdf/documents/fwd-ph-annual-report-2021-2.pdf?rev=20b476bd356540fe93fb6a0b02cccb947#page=36</a></li> <li>2. Page 4 of the 2022 GIS.  <a href="https://www.fwd.com.ph/-/media/pdf/documents/source-documents-2021/General-Information-Sheet202225-March-2022Final-public.pdf#page=5">https://www.fwd.com.ph/-/media/pdf/documents/source-documents-2021/General-Information-Sheet202225-March-2022Final-public.pdf#page=5</a></li> </ol>	

<b>Cultivating a Synergic Relationship with Shareholders</b>			
<b>Principle 13: The company should treat all shareholders fairly and equitably, and also recognize, protect and facilitate the exercise of their rights</b>			
<b>Recommendation 13.1</b>			
1. Board ensures that basic shareholder rights are disclosed in the MCG.	Compliant	The Company discloses Shareholders basic rights in the paragraph III.A, Shareholder relations in the CGM. <a href="https://www.fwd.com.ph/-/media/pdf/documents/source-documents-2021/FWD-Corporate-Governance-Manual-2020-December.pdf#page=27">https://www.fwd.com.ph/-/media/pdf/documents/source-documents-2021/FWD-Corporate-Governance-Manual-2020-December.pdf#page=27</a>	
2. Board ensures that basic shareholder rights are disclosed on the company's website.	Compliant	Please see the Company's CGM, which provides the basic rights of the shareholders available at the Company Website. <a href="https://www.fwd.com.ph/about/corporate-governance/">https://www.fwd.com.ph/about/corporate-governance/</a>	
<b>Recommendation 13.2</b>			
1. Board encourages active shareholder participation by sending the Notice of Annual and Special Shareholders' Meeting with sufficient and relevant information at least 21 days before the meeting.	Compliant	The Company strongly encourages Shareholders' active participation in corporate affairs by ensuring their presence in Shareholders meetings and sending the Notice and Agenda for meetings at least 21 days prior to the meeting.  Please see paragraph III.C, Shareholder Relations, of the CGM on Conduct of Annual Shareholders Meeting (ASM). <a href="https://www.fwd.com.ph/-/media/pdf/documents/source-documents-2021/FWD-Corporate-Governance-Manual-2020-December.pdf#page=28">https://www.fwd.com.ph/-/media/pdf/documents/source-documents-2021/FWD-Corporate-Governance-Manual-2020-December.pdf#page=28</a>	

### Recommendation 13.3

1. Board encourages active shareholder participation by making the result of the votes taken during the most recent Annual or Special Shareholders' Meeting publicly available the next working day.	Compliant	<p>The minutes of Shareholders meetings are circulated Shareholders prior to their next meeting, at which meeting they will be given the opportunity to raise clarifications or make corrections to the minutes.</p> <p>Please see paragraph III.C, Shareholder Relations, of the CGM on Conduct of Annual Shareholders Meeting (ASM).  <a href="https://www.fwd.com.ph/-/media/pdf/documents/source-documents-2021/FWD-Corporate-Governance-Manual-2020-December.pdf#page=28">https://www.fwd.com.ph/-/media/pdf/documents/source-documents-2021/FWD-Corporate-Governance-Manual-2020-December.pdf#page=28</a></p>	
2. Minutes of the ASM/SSM are available on the company website within 5 business days from the end of the meeting.	Compliant	<p>The Company has only one shareholder because it is a wholly owned subsidiary of FWD Group Services Pte. Ltd (Parent). This Recommendation is not applicable since the Parent's attendance and participation is indispensable to conduct any Shareholders' Meeting.</p> <p>Please see page 5 of the 2022 GIS.  <a href="https://www.fwd.com.ph/-/media/pdf/documents/source-documents-2021/General-Information-Sheet202225-March-2022Final-public.pdf#page=6">https://www.fwd.com.ph/-/media/pdf/documents/source-documents-2021/General-Information-Sheet202225-March-2022Final-public.pdf#page=6</a></p>	

### Recommendation 13.4

1. Board has an alternative dispute mechanism to resolve intra-corporate disputes in an amicable and effective manner.	Compliant	<p>The Company encourages the resolution of intra-corporate disputes in an amicable manner and may adopt the rules and procedures under the Alternative Dispute Resolution Act.</p>	
2. The alternative dispute mechanism is included in the MCG.	Compliant	<p>If litigation is unavoidable, the parties to the dispute may bring the same to a court vested with jurisdiction to resolve intra-corporate disputes.</p>	

		<p>Please see Paragraph IV on Dispute Mechanisms in the CGM.</p> <p><a href="https://www.fwd.com.ph/-/media/pdf/documents/source-documents-2021/FWD-Corporate-Governance-Manual-2020-December.pdf#page=29">https://www.fwd.com.ph/-/media/pdf/documents/source-documents-2021/FWD-Corporate-Governance-Manual-2020-December.pdf#page=29</a></p>	
<b>Duties to Stakeholders</b>			
<p><b>Principle 14:</b> The rights of stakeholders established by law, by contractual relations and through voluntary commitments must be respected. Where stakeholders' rights and/or interests are at stake, stakeholders should have the opportunity to obtain prompt effective redress for the violation of their rights.</p>			
<b>Recommendation 14.1</b>			
<p>1. Board identifies the company's various stakeholders and promotes cooperation between them and the company in creating wealth, growth and sustainability.</p>	Compliant	<p>The Company undertook various projects in 2020, reaffirming its commitment to the community.</p> <p>Please see pages 47 of the 2021 AR on Our Commitment to the Community.</p> <p><a href="https://www.fwd.com.ph/-/media/pdf/documents/fwd-ph-annual-report-2021-2.pdf?rev=20b476bd356540fe93fb6a0b02ccb947#page=47">https://www.fwd.com.ph/-/media/pdf/documents/fwd-ph-annual-report-2021-2.pdf?rev=20b476bd356540fe93fb6a0b02ccb947#page=47</a></p>	
<b>Recommendation 14.2</b>			
<p>1. Board establishes clear policies and programs to provide a mechanism on the fair treatment and protection of stakeholders.</p>	Compliant	<p>The Board maintains an effective communication policy covering the shareholders, stakeholders, and the general public. The policy encourages a dialogue between the stakeholders and the Company and allows the stakeholders to give feedback which are factored into the Company's business.</p> <p>Please see paragraph III.B, Shareholder Relations, of the CGM.</p> <p><a href="https://www.fwd.com.ph/-/media/pdf/documents/source-documents-2021/FWD-Corporate-Governance-Manual-2020-December.pdf#page=28">https://www.fwd.com.ph/-/media/pdf/documents/source-documents-2021/FWD-Corporate-Governance-Manual-2020-December.pdf#page=28</a></p>	



<b>Recommendation 14.3</b>			
1. Board adopts a transparent framework and process that allow stakeholders to communicate with the company to obtain redress for the violation of their rights.	Compliant	<p>The Board adopts the whistleblower framework to allow stakeholders to communicate with the Company to obtain redress for the violation of their rights and interests. Please see:</p> <ol style="list-style-type: none"> <li>1. Paragraph II.G.2.f. of the CGM on Accountability and Audit; and <a href="https://www.fwd.com.ph/-/media/pdf/documents/source-documents-2021/FWD-Corporate-Governance-Manual-2020-December.pdf#page=27">https://www.fwd.com.ph/-/media/pdf/documents/source-documents-2021/FWD-Corporate-Governance-Manual-2020-December.pdf#page=27</a></li> <li>2. Page 62 of the 2021 AR on the Whistleblower Policy. <a href="https://www.fwd.com.ph/-/media/pdf/documents/fwd-ph-annual-report-2021-2.pdf?rev=20b476bd356540fe93fb6a0b02ccb947#page=62">https://www.fwd.com.ph/-/media/pdf/documents/fwd-ph-annual-report-2021-2.pdf?rev=20b476bd356540fe93fb6a0b02ccb947#page=62</a></li> </ol>	
<b>Principle 15: A mechanism for employee participation should be developed to create a symbol environment, realize the company's goals and participate in its corporate governance processes.</b>			
<b>Recommendation 15.1</b>			
1. Board establishes policies, programs and procedures that encourage employees to actively participate in the realization of the company's goals and in its governance.	Compliant	<p>The Board sets the tone from the top and supports the Company's implementation of a robust corporate governance policy to safeguard stakeholders' interests. The Company conducts an annual Consolidated Awareness Week, which consists of activities to reinforce the Company's compliance program.</p> <p>Please see page 63 of the 2021 AR on the</p>	

		<p>Compliance Engagement Initiatives.  <a href="https://www.fwd.com.ph/-/media/pdf/documents/fwd-ph-annual-report-2021-2.pdf?rev=20b476bd356540fe93fb6a0b02ccb947#page=63">https://www.fwd.com.ph/-/media/pdf/documents/fwd-ph-annual-report-2021-2.pdf?rev=20b476bd356540fe93fb6a0b02ccb947#page=63</a></p>	
<b>Recommendation 15.2</b>			
<p>1. Board sets the tone and makes a stand against corrupt practices by adopting an anti-corruption policy and program in its Code of Conduct.</p>	Compliant	<p>The Company is against bribery and corruption as a way of building business and has established a Gifts, Entertainment, and Anti-Bribery Policy to guide employees in adhering to this stand.</p> <p>Please see page 62 of the 2021 AR on Gifts, Entertainment, and Anti-Bribery Policy.  <a href="https://www.fwd.com.ph/-/media/pdf/documents/fwd-ph-annual-report-2021-2.pdf?rev=20b476bd356540fe93fb6a0b02ccb947#page=62">https://www.fwd.com.ph/-/media/pdf/documents/fwd-ph-annual-report-2021-2.pdf?rev=20b476bd356540fe93fb6a0b02ccb947#page=62</a></p>	
<p>2. Board disseminates the policy and program to employees across the organization through trainings to embed them in the company's culture.</p>	Compliant	<p>The Company makes all its policies available online through iHR, which is readily accessible to Directors and employees. There are periodic mandatory trainings to embed the same in Company culture. Further, the Company conducts activities to reinforce compliance with these policies.</p> <p>Please see pages 62-63 of the 2021 AR on the Code of Conduct and Business Ethics (Code) and Compliance Engagement Initiatives.  <a href="https://www.fwd.com.ph/-/media/pdf/documents/fwd-ph-annual-report-2021-2.pdf?rev=20b476bd356540fe93fb6a0b02ccb947#page=62">https://www.fwd.com.ph/-/media/pdf/documents/fwd-ph-annual-report-2021-2.pdf?rev=20b476bd356540fe93fb6a0b02ccb947#page=62</a></p>	

**Recommendation 15.3**

1. Board establishes a suitable framework for whistleblowing that allows employees to freely communicate their concerns about illegal or unethical practices, without fear of retaliation.	Compliant	The Board monitors enforcement of the Company's whistleblower framework, which allows employees to communicate possible improprieties in financial reporting, internal control or other matters. Reports may be made by calling the Whistleblower Hotline Number, (02) 626 3210, or submitting an online report thru <a href="#">Convercent</a> .	
2. Board establishes a suitable framework for whistleblowing that allows employees to have direct access to an independent member of the board or a unit created to handle whistleblowing concerns.	Compliant	Please see:  1. Paragraph II.G.2.f. of the CGM on Accountability and Audit; <a href="https://www.fwd.com.ph/-/media/pdf/documents/source-documents-2021/FWD-Corporate-Governance-Manual-2020-December.pdf#page=27">https://www.fwd.com.ph/-/media/pdf/documents/source-documents-2021/FWD-Corporate-Governance-Manual-2020-December.pdf#page=27</a>  2. Paragraph F.15.x of the AC TOR; and <a href="https://www.fwd.com.ph/-/media/pdf/documents/source-documents-2021/FWD-Audit-Committee-Terms-of-Reference-2020-December.pdf#page=8">https://www.fwd.com.ph/-/media/pdf/documents/source-documents-2021/FWD-Audit-Committee-Terms-of-Reference-2020-December.pdf#page=8</a>	
3. Board supervises and ensures the enforcement of the whistleblowing framework.	Compliant	3. Page 62 of the 2021 AR on Whistleblower Policy. <a href="https://www.fwd.com.ph/-/media/pdf/documents/fwd-ph-annual-report-2021-2.pdf?rev=20b476bd356540fe93fb6a0b02ccb947#page=62">https://www.fwd.com.ph/-/media/pdf/documents/fwd-ph-annual-report-2021-2.pdf?rev=20b476bd356540fe93fb6a0b02ccb947#page=62</a>	

**Principle 16:** The company should be socially responsible in all its dealings with the communities where it operates. It should ensure that its interactions serve its environment and stakeholders in a positive and progressive manner that is fully supportive of its comprehensive and balanced development.

**Recommendation 16.1**

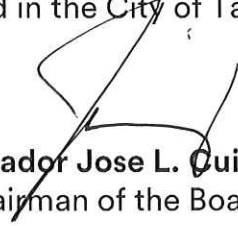
1. Company recognizes and places importance on the interdependence between	Compliant	The Company conducted several projects in 2020 in a show of community and solidarity.	
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business and society, and promotes a mutually beneficial relationship that allows the company to grow its business, while contributing to the advancement of the society where it operates.		<p>Please see pages 47 of the 2021 AR on Our Commitment to the Community.</p> <p><a href="https://www.fwd.com.ph/-/media/pdf/documents/fwd-ph-annual-report-2021-2.pdf?rev=20b476bd356540fe93fb6a0b02ccb947#page=47">https://www.fwd.com.ph/-/media/pdf/documents/fwd-ph-annual-report-2021-2.pdf?rev=20b476bd356540fe93fb6a0b02ccb947#page=47</a></p>	
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## CERTIFICATION

The undersigned certify that the responses and explanations set forth in FWD Life Insurance Corporation's Annual Corporate Governance Report are true, complete, and correct of our own personal knowledge and/or based on authentic records.

Signed in the City of Taguig on \_\_\_\_\_.

  
**Ambassador Jose L. Cuisia, Jr.**  
Chairman of the Board

  
**Li Hao Zhuang**  
President & Chief Executive Officer

  
**Lilia B. De Lima**  
Independent Director

  
**Antonio Manuel G. de Rosas**  
Independent Director


  
**Juan Sotero Roman**  
Chief Compliance Officer  
(also Corporate Governance Officer)

  
**Donna C. Duque-Pastoral**  
Corporate Secretary

SUBSCRIBED AND SWORN to before me this 23 May 2022 in Taguig City, by the following who are all personally known to me (or whom I have identified through competent evidence of identity) and who exhibited to me their respective identification document as follows:

Name	Evidence of Identity
Ambassador Jose L. Cuisia, Jr.	TIN No. 135-912-030
Li Hao Zhuang	TIN No. 758-671-868
Lilia B. De Lima	TIN No. 909-508-572
Antonio Manuel G. de Rosas	TIN No. 202-399-165
Juan Sotero Roman	TIN No. 169-736-071
Donna C. Duque-Pastoral	TIN No. 212-658-923

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Book No. II  
Series of 2022.

  
**JORDAN G. ZAFRA-BERNARDO**  
Notary Public for Taguig City  
Appt. No. 113 until June 30, 2022 per B.M. No. 3795  
19/F W Fifth Ave. Building, 5th Ave. BGC, Taguig City  
Roll No. 63431; MCLE No. VI-0017000  
PTR# A-5410211/01-24-2022/Taguig City  
IBP# 19731/01-07-22/RSM

## CERTIFICATION

The undersigned certifies that the responses and explanations set forth in FWD Life Insurance Corporation's Annual Corporate Governance Report are true, complete, and correct of my own personal knowledge and/or based on authentic records.

Signed in the City of Taguig on MAY 24 2022.

*Leo G. Dominguez*  
**Leo G. Dominguez**

Lead Independent Director

SUBSCRIBED AND SWORN to before me this MAY 24 2022 in Taguig City, who is personally known to me (or whom I have identified through competent evidence of identity) and who exhibited to me his identification document as follows:

Name	Evidence of Identity
Leo G. Dominguez	TIN No. 154-434-461

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Page No. 38  
Book No. II  
Series of 2022.

*Jordan G. Zafra-Bernard*  
**JORDAN G. ZAFRA-BERNARD**  
Notary Public for Taguig City  
Appt. No. 113 until June 30, 2022 per B.M. No. 375-  
19/F W Fifth Ave. Building, 5th Ave. BGC, Taguig City  
Roll No. 63431; MCLE No. VI-0017000  
PTR# A-5410211/01-24-2022/Taguig City  
IBP# 19731/01-07-22/RSM