

B.1	Shares and voting rights	Guiding Reference	Y/ N	Reference/Source document
B.1.1	Do the company's ordinary or common shares have one vote for one share?	<b>OECD Principle III</b> <b>(A) All shareholders of the same series of a class should be treated equally.</b> (1) Within any series of a class, all shares should carry the same rights. All investors should be able to obtain information about the rights attached to all series and classes of shares before they purchase. Any changes in voting rights should be subject to approval by those classes of shares which are negatively affected.	Y	<b>2016 AMENDED BY-LAWS</b> ( ART I MEETING OF STOCKHOLDERS, Sec 7, page 2 )  <b>2019 MINUTES OF AGM</b> (I. CALL TO ORDER)
B.1.2	Where the company has more than one class of shares, does the company publicise the voting rights attached to each class of shares (e.g. through the company website / reports/ the stock exchange/ the regulator's website)?	<b>ICGN 8.3.1 Unequal voting rights</b> Companies ordinary or common shares should feature one vote for one share. Divergence from a 'one-share, one-vote' standard which gives certain shareholders power which is disproportionate to their equity ownership should be both disclosed and justified.	Y	<b>2019 GENERAL INFORMATION SHEET</b> (COMMON SHARES ONLY)
B.2	Notice of AGM	Guiding Reference	Y/ N	Reference/Source document
B.2.1	Does each resolution in the most recent AGM deal with only one item, i.e., there is no bundling of several items into the same resolution?	<b>OECD Principle II</b> (C) Shareholders should have the opportunity to participate effectively and vote in general shareholder meetings and should be informed of the rules, including voting procedures, that govern shareholder meetings	Y	<b>2019 NOTICE OF AGM</b>  <b>2019 MINUTES OF AGM</b>
B.2.2	Are the company's notice of the most recent AGM/circulars fully translated into English and published on the same date as the local language version?	(1) Shareholders should be furnished with sufficient and timely information concerning the date, location and agenda of general meetings, as well as full and timely information regarding the issues to be decided at the meeting. (3) Effective shareholder participation in key corporate governance decisions, such as the nomination and election of board members, should be facilitated.	Y	<b>2019 NOTICE OF AGM</b>
<b>Does the notice of AGM/circulars have the following details:</b>				
B.2.3	Are the profiles of directors/commissioners ( at least age, academic qualification, date of first appointment, experience, and directorships in other listed companies) in seeking election/re-election included?	OECD Principle II (A) All shareholders of the same series of a class should be treated equally.	Y	<b>2019 NOTICE OF AGM</b>
B.2.4	Are the auditors seeking appointment/re- appointment clearly identified?	(4) Impediments to cross border voting should be eliminated. ICGN 8.3.2 Shareholder participation in governance Shareholders should have the right to participate in key corporate governance decisions, such as the right to nominate, appoint and remove directors in an individual basis and also the right to appoint external auditor.	Y	<b>2019 MINUTES OF AGM</b> (X. APPOINTMENT OF EXTERNAL AUDITOR)
B.2.5	Has an explanation of the dividend policy been provided?		Y	No dividend declaration made in CY 2019  <b>2019 MINUTES OF AGM</b> (III. PRESENTATION OF DIVIDEND POLICY)
B.2.6	Is the amount payable for final dividends disclosed?	ICGN 8.4.1 Shareholder ownership rights The exercise of ownership rights by allshareholders should be facilitated, including givingshareholders timely and adequate notice	Y	No dividend declaration made in CY 2019  <b>2018 MINUTES OF AGM</b> (III. PRESENTATION OF DIVIDEND POLICY)
B.2.7	Were the proxy documents made easily available?		Y	<b>SAMPLE PROXY FORM</b>
B.3	Insider trading and abusive self-dealing should be prohibited.	Guiding Reference	Y/ N	Reference/Source document
B.3.1	Does the company have policies and/or rules prohibiting directors/commissioners and employees to benefit from knowledge which is not generally available to the market?	OECD Principle III (B) Insider trading and abusive dealing should be prohibited ICGN 3.5 Employee share dealing Companies should have clear rules regarding any trading by directors and employees in the company's own securities. Among other issues, these must seek to ensure individuals do not benefit from knowledge which is not generally available to the market.	Y	<b>4 PRINCIPLES OF OF ETHICAL, TRANSPARENT AND SOCIAL RESPONSIBLE BEHAVIOR</b> (4.5 Information Confidentiality - Specific Regulations regarding listed securities, page 7 )  <b>2017 REVISED CODE OF GOOD CORPORATE GOVERNANCE</b> • (ART 1, Sec 4 Institutional Principles, page 7) • (Art 3, Sec 2.B. Duties and Responsibilities of Individual Directors, page 22)

B.3.2	Are the directors / commissioners required to report their dealings in company shares within 3 business days?	ICGN 8.5 Shareholder rights of action ... Minority shareholders should be afforded protection and remedies against abusive or oppressive conduct.	Y	<b>2017 REVISED CODE OF GOOD CORPORATE GOVERNANCE :</b> (ART 1, Sec 4.4 Institutional Principles, page 8)
<b>B.4</b>	<b>Related party transactions by directors and key executives.</b>	<b>Guiding Reference</b>	<b>Y/ N</b>	<b>Reference/Source document</b>
B.4.1	Does the company have a policy requiring directors /commissioners to disclose their interest in transactions and any other conflicts of interest?	OECD Principle III (C) Members of the board and key executives should be required to disclose to the board whether they, directly, indirectly or on behalf of third parties, have a material interest in any transaction or matter directly affecting the corporation.	Y	<b>2017 RELATED PARTY TRANSACTIONS POLICY</b> ( V.(b) Obligation to report conflict of interest and related party transaction ,page 6) <b>2017 REVISED CODE OF GOOD CORPORATE GOVERNANCE:</b> • (ART 1, Sec 4.5 Institutional Principles, page 9) • (Art 3, Sec 2.B Duties and Responsibilities of Individual Directors, page 22)
B.4.2	Does the company have a policy requiring a committee of independent directors/commissioners to review material/significant RPTs to determine whether they are in the best interests of the company and shareholders?	ICGN 2.11.1 Related party transactions Companies should have a process for reviewing and monitoring any related party transaction. A committee of independent directors should review significant related party transactions to determine whether they are in the best interests of the company and if so to determine what terms are fair.	Y	<b>2017 RELATED PARTY TRANSACTIONS POLICY</b> • (V.(a) Scope of Application,page 5 ) • (IX RESPONSIBILITIES OF RPT COMMITTEE OF MAPFRE INSULAR, page 9)
B.4.3	Does the company have a policy requiring board members (directors/commissioners) to abstain from participating in the board discussion on a particular agenda when they are conflicted?	ICGN 2.11.2 Director conflicts of interest Companies should have a process for identifying and managing conflicts of interest directors may have. If a director has an interest in a matter under consideration by the board, then the director should not participate in those discussions and the board should follow any further appropriate processes. Individual directors should be conscious of shareholder and public perceptions and seek to avoid situations where there might be an appearance of a conflict of interest.	Y	<b>2017 RELATED PARTY TRANSACTIONS POLICY</b> • (V.(b) Obligation to abstain from participating in the decision making, page 6 ) • (IX RESPONSIBILITIES OF RPT COMMITTEE OF MAPFRE INSULAR, page 9 )
B.4.4	Does the company have policies on loans to directors and commissioners either forbidding this practice or ensuring that they are being conducted at arm's length basis and at market rates?		Y	<b>2017 RELATED PARTY TRANSACTIONS POLICY</b> (IX RESPONSIBILITIES OF RPT COMMITTEE OF MAPFRE INSULAR, page 9)
<b>B.5</b>	<b>Protecting minority shareholders from abusive actions</b>	<b>Guiding Reference</b>	<b>Y/ N</b>	<b>Reference/Source document</b>
B.5.1	Were there any RPTs that can be classified as financial assistance to entities other than wholly-owned subsidiary companies?	OECD Principle III (A) All shareholders of the same series of a class should be treated equally.	N	<b>FINANCIAL STATEMENT 2019</b> (Note. 31(b) Related Party Transactions)
B.5.2	Does the company disclose that RPTs are conducted in such a way to ensure that they are fair and at arms' length?	(2) Minority shareholders should be protected from abusive actions by, or in the interest of, controlling shareholders acting either directly or indirectly, and should have effective means of redress. ICGN 2.11.1 Related party transactions Companies should have a process for reviewing and monitoring any related party transaction. A committee of independent directors	Y	<b>2017 RELATED PARTY TRANSACTIONS POLICY</b> (I. PURPOSE, page 3) <b>ANNUAL REPORT 2019</b> (Company Policies)

# **SOURCES**

AMENDED BY LAWS

OF

**MAPFRE INSULAR INSURANCE CORPORATION**

(As amended by the Board of Directors on 24 September 2015 and approved by the stockholders on 15 December 2015)

ARTICLE I

Meeting of Stockholders

Section 1. Regular Meetings – The regular meetings of the stockholders shall be held on the Fourth Monday of March of each year, unless such day be a holiday, in which case the meeting shall be held on the next day following such holiday.

Section 2. Special Meeting – The special meetings of the stockholders, for any purpose or purposes, may be called by the President, or by order of the Board of Directors, whenever he or they shall deem it necessary, or by the Executive Committee.

Section 3. Place of Meeting – Stockholders' meeting, whether regular or special, shall be held in the principal office of the Corporation or at any place designated by the Board of Directors in the city or municipality where the principal office of the Corporation is located.

Section 4. Notices – Notice of the time and place of holding any annual or special meeting of the stockholders shall be given by the Secretary of the Corporation either by personal delivery or by mail to each stockholder of record at his last known address at least seven (7) days prior to the date of the meeting. The notice of every annual or special meeting shall contain adequate information and such statements as will evidence the purpose of such meeting and the nature of the business to be transacted.

Section 5. Quorum – At any meeting of the stockholders, the holders of record for the time being of a majority of the stock of the Corporation then issued and outstanding represented in person or proxy, shall, unless otherwise provided by law, constitute a quorum for the transaction of business and in the absence of a quorum, the stockholders present or represented at the time and place at which such meeting shall have been called, or to which it may have been adjourned or any officer entitled to preside at such meeting or to act as Secretary thereof may adjourn such meeting for any period.

Section 6. Conduct of Meetings – At all meetings of stockholders, the Chairman of the Board, or in his absence, the President, or in the absence of the Chairman and the President, a person chosen by the majority in interest of the stockholders of the Corporation present in person or by proxy shall act as Chairman. The Secretary of the Corporation shall act as Secretary of all meetings of stockholders, and in his absence, the Chairman may appoint any person to act as Secretary.

Section 7. Voting – The stockholders may vote at all meetings the number of shares registered in their respective names, either in person or by proxy duly appointed as herein provided. Except in cases otherwise provided by law, a majority of the votes cast by the stockholders present in person or by proxy at any meeting shall be sufficient for the adoption of any resolution.

GENERAL INFORMATION SHEET  
STOCK CORPORATION  
===== PLEASE PRINT LEGIBLY =====

CORPORATE NAME: <b>MAPFRE INSULAR INSURANCE CORPORATION</b> (formerly, Mapfre Asian Insurance Corp.)							
<b>CAPITAL STRUCTURE</b>							
<b>AUTHORIZED CAPITAL STOCK</b>							
	TYPE OF SHARES	NUMBER OF SHARES	PAR/STATED VALUE	AMOUNT (PhP) (No. of shares x Par/State Value)			
	COMMON	10,000,000	₱ 50.00	₱500,000,000			
<b>TOTAL</b>				<b>₱500,000,000</b>			
<b>SUBSCRIBED CAPITAL</b>							
FILIPINO	NO. OF STOCKHOLDERS	TYPE OF SHARES*	NUMBER OF SHARES	NUMBER OF SHARES IN THE HANDS OF THE PUBLIC**	PAR/STATED VALUE	AMOUNT (PhP)	% OF OWNERSHIP
	95	COMMON	2,506,151	-----	₱ 50.00	₱ 125,307,550	25%
<b>TOTAL</b>						<b>₱ 125,307,550</b>	
FOREIGN (INDICATE BY NATIONALITY)	NO. OF STOCKHOLDERS	TYPE OF SHARES*	NUMBER OF SHARES	NUMBER OF SHARES IN THE HANDS OF THE PUBLIC**	PAR/STATED VALUE	AMOUNT (PhP)	% OF OWNERSHIP
Spanish	1	COMMON	7,493,847	-----	₱ 50.00	₱ 374,692,350	75%
Greek	1	COMMON	1	-----		₱ 50	
Indonesian	1	COMMON	1	-----		₱ 50	
Percentage of Foreign Equity: 75%			TOTAL 10,000,000		TOTAL	₱ 374,692,350	
<b>TOTAL SUBSCRIBED</b>						<b>₱ 500,000,000</b>	
<b>PAID-UP CAPITAL</b>							
FILIPINO	NO. OF STOCKHOLDERS	TYPE OF SHARES*	NUMBER OF SHARES	PAR/STATED VALUE	AMOUNT (PhP)	% OF OWNERSHIP	
	95	COMMON	2,506,151	₱ 50.00	₱ 125,307,550	25%	
<b>TOTAL</b>					<b>₱125,307,550</b>		
FOREIGN (INDICATE BY NATIONALITY)	NO. OF STOCKHOLDERS	TYPE OF SHARES	NUMBER OF SHARES	PAR/STATED VALUE	AMOUNT (PhP)	% OF OWNERSHIP	
Spanish	1	COMMON	7,493,847	₱ 50.00	₱ 374,692,350	75%	
Greek	1	COMMON	1		₱ 50		
Indonesian	1	COMMON	1		₱ 50		
<b>TOTAL</b>					<b>₱ 374,692,450</b>		
<b>TOTAL PAID-UP</b>					<b>₱ 500,000,000</b>		

NOTE: USE ADDITIONAL SHEET IF NECESSARY

\* Common, Preferred or other classification

\*\* Other than Directors, Officers, Shareholders owning 10% of outstanding shares

**MINUTES OF THE ANNUAL STOCKHOLDERS MEETING OF  
MAPFRE INSULAR INSURANCE CORPORATION**

("MIIC" or the "Corporation")

Held on 25 March 2019 at 5:30 P.M.

At the Board Room, Mapfre Insular Corporate Center

Acacia Avenue, Ayala Alabang, Muntinlupa, Philippines

<b><u>STOCKHOLDERS PRESENT/REPRESENTED:</u></b>	<b>NO. OF SHARES:</b>
MAPFRE INTERNACIONAL S.A.	7,493,847
INSULAR LIFE ASSURANCE COMPANY, LTD.	2,499,998
LUIS C. LA Ó	1
TIRSO C. ABAD	1
MONA LISA DELA CRUZ	1
MAYO JOSE B. ONGSINGCO	1
SILVERIO BENNY J. TAN	1
PEDRO E. ROXAS	1
TOTAL NUMBER OF SHARES:	9,993,851
TOTAL NUMBER OF OUTSTANDING SHARES:	10,000,000
PERCENTAGE OF OUTSTANDING SHARES PRESENT/REPRESENTED:	99.9%

**ALSO PRESENT:**

Jonas-Karl V. Perez

Pamela Joy R. Co

**I. CALL TO ORDER**

The Chairman of the Board, Mr. Tan, called the meeting to order and presided over the same. The Corporate Secretary, Mr. Perez, certified to the presence of a quorum and took the minutes of the meeting.

The Corporate Secretary proceeded to explain the conduct of voting and the tabulation procedures to be used during the course of the meeting. Unless there are objections, the Corporate Secretary shall record the shares present and those represented by proxy as having voted in favor of the matters to be considered today. Majority vote shall be required for the following matters:

- a) Approval of the minutes of the annual meeting of the stockholders held on 19 March 2018;  
and
- b) Election of External Auditor.

Voting for the election of directors shall be in accordance with the Revised Corporation Code, which is cumulative voting.

**II. APPROVAL OF THE MINUTES OF THE 19 MARCH 2018 ANNUAL STOCKHOLDERS MEETING**

The Chairman referred the stockholders to the copy of the minutes of the 19 March 2018 annual stockholders meeting that were included in the materials for this meeting.

On motion duly made and seconded, the minutes of the annual stockholders meeting held on 19 March 2018 were approved.

### **III. PRESENTATION OF DIVIDEND POLICY**

The Chairman stated that dividends may be declared out of unrestricted retained earnings. The dividend declaration will be based on the MAPFRE Group dividend policy which was approved by the Board in its meeting on 23 June 2016. The Chairman further stated that the Corporation's audited financial statements for the year ended 31 December 2018 have not yet been approved.

### **IV. REPORT OF MANAGEMENT 2018**

The Chairman noted that the report of management for 2018 was presented by the President to the directors before this meeting. Since all the stockholders present in this meeting had previously heard the report in the regular board meeting immediately preceding this stockholders meeting, the reading of the report of management was dispensed with, and the same report of management was noted.

### **V. PRESENTATION OF RELATED-PARTY TRANSACTIONS**

On 28 September 2017 the Board adopted a policy on Related-Party Transactions that includes an integration of the Insurance Commission's mandated Guidelines on Related-Party Transactions. The Board has a Related-Party Transactions committee. The Related-Party Transactions in 2018 each of which did not exceed one percent (1%) of MIIC's annual revenue, were as follows: transactions with affiliates, namely MAPFRE TECH S.A. (licenses and software maintenance); with MAPFRE S.A. (fees); with Ibero Asistencia S.A. (road and home assistance and services); and with the law firm of Picazo Buyco Tan Fider & Santos where Mr. Tan is a partner. The Related-Party Transaction in 2018 which exceeded one percent (1%) of MIIC's annual revenue was with Insular Life Assurance Company, Ltd. (rental fees and share in Migrant Workers Plan) which owns approximately 25% of the outstanding capital stock of MIIC. On motion duly made and seconded, the Board of Directors' approval of the Related-Party Transactions was confirmed.

### **VI. RATIFICATION OF ACTS, RESOLUTIONS AND APPROVALS OF THE BOARD OF DIRECTORS SINCE THE LAST ANNUAL MEETING**

On motion duly made and seconded, the stockholders approved and ratified all acts, resolutions and contracts of the Board of Directors since the last annual meeting as they appear in the minutes of the Board Meetings, and in the filings with the Office of the Insurance Commission, the Securities and Exchange Commission and in the records of the Corporation.

### **VII. ELECTION OF DIRECTORS**

The Chairman stated that non-controlling stockholders are allowed to nominate candidates for board of directors. The Chairman also stated that cumulative voting shall be followed in accordance with the Revised Corporation Code.

The Chairman opened the table for the nominations for the new set of directors for the year 2019. The Nominations Committee reviewed and evaluated the qualifications of the nominees. The following persons were nominated as directors of the Corporation for the fiscal year 2019, to serve until the next annual meeting.



SILVERIO BENNY J. TAN  
 LUIS C. LA Ó  
 TIRSO C. ABAD  
 MONA LISA DELA CRUZ  
 FRANCISO NORIEGA  
 NIKOLAOS ANTIMISSARIS  
 MAYO JOSE B. ONGSINGCO - independent director  
 PEDRO E. ROXAS - independent director

Since there are no other nominees, the Chairman directed the casting of the ballots for all the nominees. All nominees were therefore elected as directors of the Corporation for the ensuing term. All directors received votes from stockholders present in person or by proxy representing 99.9% of the outstanding common shares.

**VIII. APPOINTMENT OF EXTERNAL AUDITOR**

The Chairman announced that the next item in the agenda was the appointment of the Corporation's external auditor. Upon motion duly made and seconded, R.G. Manabat & Co. was appointed as the external auditor of the Corporation for the fiscal year 2019 with votes from stockholders present in person or by proxy representing 99.9% of the outstanding common shares.


**IX. OTHER MATTERS**

The Vice Chairman asked the stockholders whether there are queries or matters that should be brought to the attention of the stockholders in this meeting. There were none.

**X. ADJOURNMENT**

There being no other matters, the meeting was adjourned on motion duly made and seconded.

Attested by:

  
 SILVERIO BENNY J. TAN  
 Chairman of the Board

Certified by:

  
 JONAS-KARL V. PEREZ  
 Corporate Secretary





## **NOTICE OF ANNUAL STOCKHOLDERS' MEETING**

Dear Stockholder,

Please be advised that the annual meeting of the stockholders of **MAPFRE INSULAR INSURANCE CORPORATION** will be held on 25 March 2019 at 5:30 p.m. at the Board Room, 11<sup>th</sup> Floor, Mapfre Insular Corporate Center, Acacia Avenue, Madrigal Business Park, Ayala Alabang, Muntinlupa City.

The following matters shall be taken up at the annual meeting:

**1. Approval of the Minutes of the Stockholders' Meetings of 19 March 2018**

- Minutes of the Meeting held last March 19, 2018 will be presented and subject to approval of all the stockholders present

**2. Report of Management 2018**

- Operational Highlights of the Company for the 2018 will be presented to the stockholder.

**3. Ratification of Acts, Resolutions and Contracts of the Board of Directors since the last Annual Meeting**

- Summary of all the Acts, Resolution and Contracts of the Board of Directors for 2018 will be presented for Ratification of all the stockholders.

**4. Election of the Board of Directors for 2019**

- Profiles of the Nominees for Board of Directors will be presented for election

**5. Appointment of R.G. Manabat & Co., a Philippine member firm of KPMG International as External Auditors**

- The profile of the external auditor will be presented for appointment/re-appointment

**6. Other Matters**

- All other matters that need to be raised by all the stockholders present in this meeting will be discussed.

**7. Adjournment**

Please bring a valid government issued identification document (passport, driver's license, SSS ID, GSIS ID, Seniors Citizen ID) to facilitate your registration. If you are sending a representative, please issue a written proxy in favor of your representative.

Your presence is earnestly requested. Please take note that Management is not soliciting proxies.

21 February 2019.



**JONAS-KARL V. PEREZ**  
Corporate Secretary



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### **VI. RATIFICATION OF ACTS, RESOLUTIONS AND APPROVALS OF THE BOARD OF DIRECTORS SINCE THE LAST ANNUAL MEETING**

On motion duly made and seconded, the stockholders approved and ratified all acts, resolutions and contracts of the Board of Directors since the last annual meeting as they appear in the minutes of the Board Meetings, and in the filings with the Office of the Insurance Commission, the Securities and Exchange Commission and in the records of the Corporation.

### **VII. ELECTION OF DIRECTORS**

The Chairman stated that non-controlling stockholders are allowed to nominate candidates for board of directors. The Chairman also stated that cumulative voting shall be followed in accordance with the Revised Corporation Code.

The Chairman opened the table for the nominations for the new set of directors for the year 2019. The Nominations Committee reviewed and evaluated the qualifications of the nominees. The following persons were nominated as directors of the Corporation for the fiscal year 2019, to serve until the next annual meeting.



## PROXY

**MAPFRE INTERNACIONAL S.A.**, a corporation organized and existing under and by virtue of the laws of the Spain, (the "**Stockholder**"), and a holder of common shares of stock in **MAPFRE INSULAR INSURANCE CORPORATION** (the "**Corporation**"), does hereby constitute, name, and appoint:

### TIRSO C. ABAD

as the Stockholder's proxy to represent it at the Special Stockholders' Meeting of the Corporation to be held on 19 September 2019 and to vote for and on behalf of the Stockholder on any measure, motion, or resolution that may be taken up during such meeting, or any adjournment, continuation, or postponement, thereof, and hereby gives and grants unto said proxy all the powers which the Stockholder would otherwise possess if personally present.

### MAPFRE INTERNACIONAL S.A.:

By: 

Name: Mr. Claudio Ramos

Designation: General Manager of the Legal Department

Date: September 5<sup>th</sup>, 2019

#### **4.4. Respect for the environment**

The development of businesses and activities that are sustainable over time and respectful of the surroundings, the environment and the interests of the community is one of MAPFRE's basic principles of action.

MAPFRE has an environmental policy that defines, as its fundamental principles, the integration of policies in the business to protect the environment, the implementation of environmental management actions and the promotion of environmental responsibility.

It is the obligation of all employees that work for MAPFRE to follow the company's guidelines in this area, to make every effort to minimize the environmental impact of their activities, and to use the equipment, facilities and work resources in the most efficient way possible.

Furthermore, any individuals responsible for relations with contractors or external collaborators must convey to them the need to follow these principles and ensure their compliance with the appropriate environmental procedures and requirements in each case.

#### **4.5. Information confidentiality and personal data protection**

##### *Information confidentiality*

MAPFRE has a regulation governing information security aimed at safeguarding the confidentiality, integrity and availability of the information, and which establishes procedures for choosing and handling passwords, processing documentation and using email and temporary files.

The information is the property of the company, and its security is the responsibility of all the employees that work for MAPFRE. They are under obligation to protect it and to perform their activities following the established security rules and procedures, and to avoid any risk, either internal or external, of unauthorized access, manipulation or destruction, whether intentional or accidental.

The employees who work for MAPFRE must not use the information available to them for purposes other than those which justify their access to such information for the purposes of their work or professional activity.

Failure to comply with this obligation always constitutes a violation of the duty of loyalty and is particularly serious when it affects information of a confidential nature.

To these effects, confidential information is considered to be all information that is expressly classified as such, information which due to its nature, importance or significance can reasonably be understood as being confidential, and any other information whose disclosure may cause harm to any of the companies in the MAPFRE Group.

Particularly, any information relating to clients, shareholders, employees, providers, strategic plans, financial, commercial, statistical or legal information, or of any similar kind, must be considered confidential and treated as such. Information pertaining to third parties to which the person in question is privy by reason of their relation with MAPFRE must also be considered confidential. In case of doubt, all information must be considered

confidential unless otherwise indicated.

The right to secrecy does not affect the information that the person in question is required to make public or communicate to third parties in compliance with a legal or contractual obligation or when performing the functions inherent to his or her position.

In the case of the termination of their relationship with MAPFRE, the person in question, while continuing to be under the obligation to maintain confidentiality, must return all reports, data, documents, computer files and supports of any nature in their possession for the purposes of their job or their activity at MAPFRE, regardless of whether the information contained therein confidential or not.

All MAPFRE employees and managers must accept the commitment to preserve the confidentiality of the information by signing the confidentiality clause established to this effect.

Anyone who has knowledge or reasonable suspicions that an undue use of confidential information is either occurring or is at risk of occurring must notify their hierarchical superior or the Ethics Committee

#### Data protection

MAPFRE complies with the current legislation in the area of data protection in each country where it carries out its activity, and has established procedures and measures to protect the confidentiality and guarantee the correct use of the information belonging to identified or identifiable natural persons (first and last names, age, health details, image, sound, financial data, etc.).

#### Specific regulations regarding listed securities

Specifically, the behaviors in this area related to the securities markets are contained in the Internal Code of Conduct for listed securities issued by MAPFRE, which describes, among other aspects, the treatment and safeguarding of privileged information and the communication of relevant facts for the purpose of avoiding any expressly prohibited abusive market practice, the use of privileged information, the manipulation of share prices, or any conduct that goes against the free and correct setting of prices in the securities markets.

### **4.6. Brand, image and corporate reputation**

First and foremost, among the company's intangible assets are its brand, image and its corporate reputation.

In the knowledge of this fact, all employees who work for MAPFRE must avoid any conduct that could harm the company's image, and consequently abstain from using its name, brand or distinctive logos for purposes other than those authorized by the company, or from allowing MAPFRE's reputation to be harmed or undermined as the result of an action carried out in a personal capacity, or without due authorization.

The employees and management must have express authorization to intervene on behalf of MAPFRE or, by virtue of their job or relationship with MAPFRE, to take part in any forum or public channel (communications media, social networks, professional courses, seminars and any other event that may be publicly broadcast).

- Ensure the orderly succession of the Chairman, allowing to ensure the continuity and sustainability of the Company and its GROUP.
- Define a remuneration system for the directors that keeps their remuneration at a reasonable proportion to the importance of the company, its economic situation and market standards of comparable companies.
- Promote the knowledge of the principles and values contained in the Institutional, Business and Organizational Principles of the MAPFRE GROUP, in this Policy and in the other MAPFRE internal corporate

#### **SECTION 4: Institutional Principles**

The activities of MAPFRE Insular must comply with the following principles:

4.1. Strict separation between the business activities of MAPFRE Insular, whose goal is to create value for all its shareholders and other stakeholders, and those of FUNDACIÓN MAPFRE, whose goals are of general interest and of a social nature and must be carried out in a non-profit manner. This implies:

- a) The separation of assets and finance between MAPFRE Insular and FUNDACIÓN MAPFRE.
- b) That the supervision and management of business activities is carried out exclusively by MAPFRE Insular 's governing and management bodies and that those of FUNDACIÓN MAPFRE carry out the supervision and management of foundational activities.

4.2. Independence with respect to any person, company, group or power of any type, which implies that:

- a) No person, company, group or institution can attribute political or economic rights to him/herself with respect to MAPFRE Insular, except for those that apply in accordance with the laws and Articles of Incorporation and By-Laws of the company.
- b) All the governing bodies of MAPFRE Insular must adopt their decisions based exclusively on the business interests of the company, without interference with personal, family, professional, or business interests of those involved in the adoption of each agreement.
- c) All goods and rights that make up the assets of MAPFRE Insular must be directed exclusively toward the meeting of their respective purposes.

#### IV. GUIDELINES IN ENSURING ARM'S LENGTH TERMS

RPTs shall be conducted in the regular course of business and not undertaken on more favorable economic terms (e.g. price, commissions, interest rates, fees, tenor, and collateral requirement) to such Related Parties than similar transactions with non-related parties under similar circumstances.

There shall be an effective price discovery mechanism to ensure that transactions are engaged into at terms that promote the best interest of the Company and its stakeholders. The price discovery mechanism may include, but not limited to, acquiring the services of an external expert, opening the transaction to a bidding process, or publication of available property for sale.

#### V. CONFLICTS OF INTEREST

##### a. Scope of application

The object is to establish and regulate the applicable procedure with regard to those operations or decisions where the interest of MAPFRE, S.A. or any of the companies in its GROUP collides, directly or indirectly, with the personal interest of the Related Persons.

The Subjected Persons will have personal interest when the matter affects him or her or, in the case of a member of the board, the shareholder or shareholders who proposed or appointed him or her, or persons related directly or indirectly to them.

##### b. Obligation to abstain from participating in the decision-making

All Subjected Persons must be loyal to the company interest, understood to be the interest of MAPFRE, S.A. and of all the companies that make up its GROUP and regardless of other own or independent interests. Consequently, they will abstain from giving precedence to their own interests at the expense of the GROUP interests, and will try to avoid any situation of conflict of interest when performing their duties.

In any case, the Subjected Persons must abstain from attending and participating in deliberations that affect matters in which he or she has a personal interest, and must likewise abstain from accessing confidential information relating to the same, warning those who are making the decision of the potential conflict.

##### c. Obligation to report the conflict of interest

All Subjected Persons must notify the MAPFRE, S.A. Board of Directors, through its Secretary, of any personal, family, professional or business situation, whether preexisting or that has arisen after his or her appointment, that may imply a conflict of interest with MAPFRE GROUP companies. Likewise, he or she must keep this information up-to-date, reporting any relevant change as soon as it takes place, along with any potential new conflict.



## VII. WHISTLEBLOWING MECHANISMS

Employees are encouraged to communicate, confidentially and without risk of reprisal, legitimate concerns about illegal, unethical or questionable RPTs.

In order to report any irregularities, an Email Box has been made available on [www.mapfre.com/CDF](http://www.mapfre.com/CDF), as an alternative channel, employees will also be able to lodge complaints by means of a letter addressed to:

MAPFRE  
A/A. Secretario General  
Ctra. Pozuelo, nº. 52  
28222- Majadahonda (Madrid)

- ☐ The written report, which is not subject to a pre-determined model, should at least include the following information:
- ☐ Identification of the whistleblower, stating the employee's id number.
- ☐ Irregularity reported, detailing its specific circumstances together with, where possible, documentary evidence.
- ☐ Identification of the people directly responsible for the irregularity, if known.

*“Personal details furnished via the Financial & Accounting Whistle-Blowing Channel of the MAPFRE Group will be processed by MAPFRE S.A. in a confidential manner, pursuant to the provisions of the data protection regulations in force”.*

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## VIII. RESTITUTION OF LOSSES AND OTHER REMEDIES FOR ABUSIVE RPTs

Officers, directors, and employees who have been remiss in their duties in handling RPTs shall be subject to disciplinary measures in accordance with MAPFRE INSULAR's Code of Conduct and relevant corporate governance policies, without prejudice to the applicable legal remedies which MAPFRE INSULAR may avail.

## IX. RESPONSIBILITIES OF RPT COMMITTEE OF MAPFRE INSULAR

- 1) Evaluate on an ongoing basis 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 regulators/ supervisors.

- 2) Evaluate all material RPTs to ensure that these are not undertaken on more favorable economic terms (e.g., price, commissions, interest rates, fees, tenor, collateral requirement) to such related parties than similar transactions with non-related parties under similar circumstances and that no corporate or business resources of MAPFRE INSULAR are misappropriated or misapplied, and to determine any potential reputational risk issues that may arise as a result of or in connection with the transactions. In evaluating RPTs, the Committee shall take into account, among others, the following:
  - a. The related party's relationship to MAPFRE INSULAR and interest in the transactions;
  - b. The material facts of the proposed RPT, including the proposed aggregate value of such transaction;
  - c. The benefits to MAPFRE INSULAR of the proposed RPT;
  - d. The availability of other sources of comparable products or services; and
  - e. An assessment of whether the proposed RPT is on terms and conditions that are comparable to the terms generally available to an unrelated party under similar circumstances. MAPFRE INSULAR shall have in place an effective price discovery system and have exercised due diligence in determining a fair price for RPTs.
- 3) Ensure that appropriate disclosure is made, and/or information is provided to regulating and supervising authorities relating to MAPFRE INSULAR RPT exposures, and policies on conflicts of interest or potential conflicts of interest. The disclosure shall include information on the approach to managing material conflicts of interest that are inconsistent with such policies; and conflicts that could arise as a result of MAPFRE INSULAR 's affiliation or transactions with other related parties.
- 4) Report to MAPFRE INSULAR board of directors on a regular basis, the status and aggregate exposures to each related party as well as the total amount of exposures to all related parties.
- 5) Ensure that transactions with related parties, including write-off of exposures, are subject to periodic independent review or audit process.
- 6) Oversee the implementation of the system for identifying, monitoring, measuring, controlling, and reporting RPTs, including the periodic review of RPT policies and procedures.

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#### V. CONFLICTS OF INTEREST

##### a. Scope of application

The object is to establish and regulate the applicable procedure with regard to those operations or decisions where the interest of MAPFRE, S.A. or any of the companies in its GROUP collides, directly or indirectly, with the personal interest of the Related Persons.

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- ☐ The written report, which is not subject to a pre-determined model, should at least include the following information:
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SILVERIO BENNY J. TAN  
LUIS C. LA Ó  
TIRSO C. ABAD  
MONA LISA DELA CRUZ  
FRANCISO NORIEGA  
NIKOLAOS ANTIMISSIONARIS  
MAYO JOSE B. ONGSINGCO - independent director  
PEDRO E. ROXAS - independent director

Since there are no other nominees, the Chairman directed the casting of the ballots for all the nominees. All nominees were therefore elected as directors of the Corporation for the ensuing term. All directors received votes from stockholders present in person or by proxy representing 99.9% of the outstanding common shares.

**VIII. APPOINTMENT OF EXTERNAL AUDITOR**

The Chairman announced that the next item in the agenda was the appointment of the Corporation's external auditor. Upon motion duly made and seconded, R.G. Manabat & Co. was appointed as the external auditor of the Corporation for the fiscal year 2019 with votes from stockholders present in person or by proxy representing 99.9% of the outstanding common shares.


**IX. OTHER MATTERS**

The Vice Chairman asked the stockholders whether there are queries or matters that should be brought to the attention of the stockholders in this meeting. There were none.


**X. ADJOURNMENT**

There being no other matters, the meeting was adjourned on motion duly made and seconded.

Attested by:

  
SILVERIO BENNY J. TAN  
Chairman of the Board

Certified by:

  
JONAS-KARL V. PEREZ  
Corporate Secretary



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  - c. The benefits to MAPFRE INSULAR of the proposed RPT;
  - d. The availability of other sources of comparable products or services; and
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- 6) Oversee the implementation of the system for identifying, monitoring, measuring, controlling, and reporting RPTs, including the periodic review of RPT policies and procedures.

In 2019, the Parent Company and Insular Life infused capital amounting to P375.00 million and P125.00 million, respectively, to meet the net worth requirements of the IC as at December 31, 2019. The total amount of P500.00 million was presented as "Contingency surplus" in the statement of financial position (see Note 33).

Dividends payable as at December 31, 2019 and 2018 amounted to P0.48 million (see Note 21). No dividends have been declared in 2019 and 2018.

### 33. Related Party Transactions

Parties are related if one party has the ability, directly or indirectly, to control the other party or exercise significant influence over the other party in making financial and operating decisions; and the parties are subject to common control or common significant influence. Related parties may be individuals or corporate entities.

Affiliates are related entities of the Company by virtue of common ownership and representation to management where significant influence is apparent.

Significant related party transactions are summarized below:

- a. Key management personnel are those persons having authority and responsibility for planning, directing and controlling the activities of the entity, directly or indirectly, including managers and executives of the Company.

The summary of compensation of key management personnel is as follows:

	2019	2018
Salaries and other short-term employee benefits	<b>P93,433,906</b>	P101,348,238
Pension and other post-employment benefits	<b>2,529,732</b>	14,790,862
	<b>P95,963,638</b>	P116,139,100

- b. Significant related party transactions consist mainly of the following activities:

Category/Transaction	Note	Year	Amount of the Transaction	Outstanding Balances		Terms	Conditions
				Due from a Related Party	Due to Related Party		
<b>MAPFRE Re Compañía de Reaseguros S.A.</b>							
<i>(Entity under Common Control)</i>							
Inward commissions	20	2019	<b>P33,788,765</b>	<b>P95,305</b>	<b>P -</b>	Due and demandable;	Unsecured;
		2018	35,776,148	1,444	-	noninterest-bearing	no impairment
Reinsurance premium ceded	20	2019	<b>219,853,297</b>	-	<b>15,928,185</b>	Due and demandable;	Unsecured
		2018	144,296,385	-	57,207,881	noninterest-bearing	
RI Recoverable on paid losses	6	2019	<b>76,627,358</b>	<b>76,627,358</b>	-	Due and demandable;	Unsecured;
		2018	72,742,795	72,742,795	-	noninterest-bearing	no impairment
Funds held for reinsurers	20	2019	<b>166,427,823</b>	-	<b>166,565,207</b>	Due and demandable;	Unsecured
		2018	152,358,354	-	152,358,354	noninterest-bearing	
<b>MAPFRE Global Risks S.A.</b>							
<i>(Entity under Common Control)</i>							
Reinsurance premium ceded	20	2019	<b>344,887,763</b>	-	<b>326,758,578</b>	Due and demandable;	Unsecured
		2018	353,017,460	-	353,017,460	noninterest-bearing	
Inward commissions	20	2019	<b>5,316,709</b>	-	-		
		2018	-	-	-		
Premiums receivable	6	2019	-	-	<b>137,384</b>	Due and demandable;	Unsecured
		2018	137,384	-	-	noninterest-bearing	
<b>MAPFRE Asistencia Compañía Internacional de Seguros Y Reaseguros, S.A.</b>							
<i>(Entity under Common Control)</i>							
RI Recoverable on paid losses	6	2019	<b>10,116,663</b>	<b>2,171,014</b>	-	Due and demandable;	Unsecured;
		2018	48,686	20,422	-	noninterest-bearing	no impairment
Inward commissions	20	2019	<b>3,270,963</b>	-	-		
		2018	-	-	-		
Funds held for reinsurers	20	2019	-	-	-	Due and demandable;	Unsecured
		2018	5,916,568	-	5,916,568	noninterest-bearing	
<i>Forward</i>							

Forward

## I. PURPOSE

This Policy for managing conflicts of interest and Related Party Transactions (“RPTs”) (the “RPT Policy”) is made to ensure that RPT transactions are only undertaken on an arm’s length basis for the financial, commercial, and economic benefit of MAPFRE Insular Insurance Corp. (“MAPFRE INSULAR” or the “Company”) and the MAPFRE GROUP.

## II. SCOPE

This RPT Policy shall capture a broader spectrum of transactions, covering not only those that give rise to credit and/or counterparty risks but also those that could pose material/special risk or potential abuse to the Company and its stakeholders.

## III. DEFINITIONS

For the purpose of this policy, it is understood that:

- a) Significant Shareholders: those MAPFRE, S.A. and MAPFRE INSULAR shareholders who, directly or indirectly, hold a share in company capital that is equal to or higher than that legally considered significant or who have proposed or appointed any of the MAPFRE, S.A. and MAPFRE INSULAR directors, and persons related to the same.
- b) Senior Management Roles: the most senior management officer or representatives of MAPFRE INSULAR.
- c) Senior Representative Roles: the members of the Board of Directors of MAPFRE INSULAR.
- d) MAPFRE, MAPFRE GROUP or GROUP: the business group integrated by MAPFRE, S.A., as the parent company, its companies, subsidiaries and dependents in accordance with what is established in Article 42 of the Spanish Code of Commerce<sup>1</sup>.

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<sup>1</sup> Article 42

[...] A group exists when a company holds, or may hold, directly or indirectly, the control over one or several others. In particular, there shall be presumed to be control when a company, which shall be classified as controlling, is in a relation with another company, which shall be classified as dependent, in which any of the following situations arise:

- a) It holds the majority of the voting rights.
- b) It has the power to appoint or dismiss the majority of the members of the governing body.
- c) It may dispose, by virtue of agreements entered into with third parties, of the majority of the voting rights.
- d) It has used its votes to appoint the majority of the members of the governing body who hold office at the moment when consolidated accounts must be drawn up and during the two business years immediately preceding. In particular, that

- Ensure the orderly succession of the Chairman, allowing to ensure the continuity and sustainability of the Company and its GROUP.
- Define a remuneration system for the directors that keeps their remuneration at a reasonable proportion to the importance of the company, its economic situation and market standards of comparable companies.
- Promote the knowledge of the principles and values contained in the Institutional, Business and Organizational Principles of the MAPFRE GROUP, in this Policy and in the other MAPFRE internal corporate

#### **SECTION 4: Institutional Principles**

The activities of MAPFRE Insular must comply with the following principles:

4.1. Strict separation between the business activities of MAPFRE Insular, whose goal is to create value for all its shareholders and other stakeholders, and those of FUNDACIÓN MAPFRE, whose goals are of general interest and of a social nature and must be carried out in a non-profit manner. This implies:

- a) The separation of assets and finance between MAPFRE Insular and FUNDACIÓN MAPFRE.
- b) That the supervision and management of business activities is carried out exclusively by MAPFRE Insular 's governing and management bodies and that those of FUNDACIÓN MAPFRE carry out the supervision and management of foundational activities.

4.2. Independence with respect to any person, company, group or power of any type, which implies that:

- a) No person, company, group or institution can attribute political or economic rights to him/herself with respect to MAPFRE Insular, except for those that apply in accordance with the laws and Articles of Incorporation and By-Laws of the company.
- b) All the governing bodies of MAPFRE Insular must adopt their decisions based exclusively on the business interests of the company, without interference with personal, family, professional, or business interests of those involved in the adoption of each agreement.
- c) All goods and rights that make up the assets of MAPFRE Insular must be directed exclusively toward the meeting of their respective purposes.