



**CCLPI**  
*Plans*

**COSMOPOLITAN CLIMBS LIFE PLAN INC.**

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May 30, 2024

**ATTY. REYNALDO A. REGALADO**

Insurance Commissioner  
1071 United Nations Avenue,  
Ermita, Manila

Dear Hon. Commissioner Regalado:

Greetings!

The undersigned endorses the submission of CCLPI's Annual Corporate Governance Report for the fiscal year ending December 31, 2023.

Please see attached documents for your perusal.

Thank you.

Respectfully yours,

**MANSUETO V. DELA PEÑA**  
President & Chief Executive Officer



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

**ANNUAL CORPORATE GOVERNANCE REPORT OF  
COSMOPOLITAN CLIMBS LIFE PLAN INC.**

**1. For the fiscal year ended .....2023**

**2. Certificate Authority Number.....CS201628313**

**3. Misamis Oriental, Philippines**

Province, Country or other jurisdiction of incorporation

**4. 4F CLIMBS Bldg. Tiano-Pacana Sts. Cagayan de Oro 9000**

Address of principal office

**5. (088) 880-1574**

Company's telephone number, including area code

**6. [www.cclpi.com.ph](http://www.cclpi.com.ph)**

Company's official website

# CCLPI PLANS ANNUAL CORPORATE GOVERNANCE REPORT

RECOMMENDED CG PRACTICE/POLICY	COMPLIANT / NON- COMPLIANT	ADDITIONAL INFORMATION	EXPLANATION
<b>The Board's Governance Responsibilities</b>			
<b>Principle 1:</b> The company should be headed by a competent, working board to foster the long- term success of the corporation, and to sustain its competitiveness and profitability in a manner consistent with its corporate objectives and the long- term best interests of its shareholders and other stakeholders.			
<b>Recommendation 1.1</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</b>	<p>The Directors of <i>Cosmopolitan CLIMBS Life Plan Inc. or CCLPI Plans</i> are nominated and elected based on their professional experience, expertise, and relevant training in the industry or sector in which the Company and its subsidiaries operate. They include legal and financial professionals, engineers, former or current CEOs/COOs, and accountants, many of whom have management experience in the private and public sectors, as well as multilateral agencies.</p> <p>This has resulted in CCLPI Plans' Board of Directors being made up of individuals who have a collective amount of working knowledge, experience, and expertise in industries that are relevant to the Company and its subsidiaries.</p> <p>Individual and collective qualifications of the Board of Directors (including the Independent Directors) as well as the duties and responsibilities of the Board and Board Committees, including the benchmark for their individual and collective performance evaluation, are enumerated in the Company's Manual of Corporate Governance (the "Manual").</p> <p><i>Please see Annex attached Cosmopolitan CLIMBS Life Plan Inc. Manual on Corporate Governance pg. 6-7</i></p>	
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</b>		

Recommendation 1.2			
1. Board is composed of a majority of non-executive directors.	Compliant	<p>The Company's Board of Directors is composed of twelve (12) Directors, majority of whom are non-executive directors. Out of the twelve (12) directors, 2 are Independent Director and the remaining nine (9) are non-executive directors.</p> <p><i>Attached in Annex B is the list of CCLPI Plans Board of Directors as of December 31, 2023.</i></p>	
Recommendation 1.3			
1. Company provides in its Board Charter or Manual on Corporate Governance a policy on training of directors.	Compliant	<p>The Company's Policy on Training of Directors as provided in its Manual is composed of: (i) onboarding for new Directors, and (ii) mandatory continuous training and development program.</p> <p>To ensure that each Director understands their roles and responsibilities as members of the Board and Board Committees, the Company's corporate governance policies and programs, and the Company's overall operations, the Company's Manual requires that new Directors receive a comprehensive onboarding orientation prior to attending their first board meeting.</p> <p><i>See reference CCLPI Manual on Corporate Governance page 26</i></p>	
2. Company provides in its Board Charter or Manual on Corporate Governance an orientation program for first time directors.	Compliant	<p>The orientation program for new directors and the required annual continuing education for all directors are intended to promote effective board performance and the directors' continued qualification to perform their duties and responsibilities. It is recommended that new director orientation last at least eight hours and that annual continuing education last at least four hours.</p> <p><i>As stated on page 26 of the CCLPI Manual on Corporate Governance.</i></p>	<i>CCLPI Plans did not have a first-time board of directors in the year 2023.</i>



3. Company has relevant annual continuing training for all directors.	<b>Compliant</b>	Furthermore, according to the CCLPI's Manual, every Director and Corporate Officer must participate in a continuous training and development program in order to improve their knowledge of the industries in which the CCLPI operates. <i>As stated on CCLPI Manual on Corporate Governance page 26</i>	
<b>Recommendation 1.4</b>			
1. Board has a policy on board diversity.	<b>Compliant</b>	The Board of Directors has adopted a policy of appointing a diverse group of Directors on the basis of merit and qualification, always in accordance with the Company's mission, vision, and strategic objectives. Additionally, in order to promote sustainable and balanced development, the Company promotes diversity on its Board of Directors. No competent and qualified nominee shall be discriminated against on the basis of gender, age, educational background, or length of service in any Board election or appointment.  <i>Links/reference as follows: CCLPI Manual on Corporate Governance page 7</i>	
<b>Recommendation 1.5</b>			
1. Board is assisted in its duties by a Corporate Secretary.	<b>Compliant</b>	The Board of Directors is assisted by a Corporate Secretary, Atty. Isidro Q. Lico, who is not a member of the Board of Directors. The Company ensures that the functions of the Corporate Secretary are clearly defined in the Company's Manual. <i>Links/references are as follows: CCLPI Manual on Corporate Governance page 9-10.</i>	
2. Corporate Secretary is a separate individual from the Compliance Officer.	<b>Compliant</b>	When it comes to the functions of the Corporate Secretary and the functions of the Compliance Officer, the company makes certain that they are clearly distinguished from one another. Furthermore, they are a distinct individual. <i>Links/references are as follows: CCLPI Manual on Corporate Governance page 9-10.</i>	

3. Corporate Secretary is not a member of the Board of Directors.	<b>Compliant</b>	The Corporate Board Secretary should not be a member of the Board of Directors and should annually attend training on corporate governance. The current corporate secretary has attended the last training on Corporate Good Governance last November 2019 before the pandemic hit the country. <i>Links/references are as follows: CCLPI Manual on Corporate Governance page 9-10.</i>	
4. Corporate Secretary attends training/s on corporate governance.	<b>Compliant</b>		
<b>Recommendation 1.6</b>			
1. Board is assisted by a Compliance Officer.	<b>Compliant</b>	The Board of Directors is assisted by a Compliance Officer, Mr. Junmar N. Verdejo, who is not a member of the Board of Directors as the Compliance Officer. The Company ensures that the functions of the Compliance Officer and Corporate Secretary are clearly defined in the Company's Manual. The Compliance Officer is a member of the Management in charge of the compliance functions. Similar to the Corporate Secretary, he is primarily liable to the Corporation and its Shareholders, and not to the Chairman or President. In addition, Mr. Junmar N. Verdejo, the Compliance Officer, is not a member of the Board of Directors, assists the Board of Directors.	
2. Compliance Officer has a rank of Senior Vice President or an equivalent position with adequate stature and authority in the corporation.	<b>Compliant</b>	The Company ensures that the Compliance Officer's and Corporate Secretary's roles are defined clearly in the Company's Manual. The Compliance Officer is a member of Management who is responsible for all compliance-related functions. As with the Corporate Secretary, he is accountable to the Corporation and its shareholders, rather than to the Chairman or President.	
3. Compliance Officer is not a member of the board.	<b>Compliant</b>	<i>Links/references are as follows: CCLPI Manual on Corporate Governance page 10.</i>	
4. Compliance Officer attends training/s on corporate governance annually.	<b>Compliant</b>		

**Principle 2 :** The fiduciary roles, responsibilities and accountabilities of the Board as provided under the law, the company's articles and by-laws, and other legal pronouncements and guidelines should be clearly made known to all directors as well as to stockholders and other stakeholders.

**Recommendation 2.1**

1. Directors act on a fully informed basis, in good faith, with due diligence and care, and in the best interest of the company.	<b>Compliant</b>	<p>The Company's Manual requires a director to act prudently and devote the time and attention necessary to carry out their duties and responsibilities effectively. With this mandate, the Directors are expected to act in good faith, with due diligence and care, and in the Company's best interests.</p> <p>To ensure that the Board of Directors acts in the company's best interests, (i) the Board receives regular reports from Management on the Company's operations; (ii) any matter requiring the Board's attention is promptly elevated to the Board members, and deliberations and responsibilities. <i>Links/references are as follows: CCLPI Manual on Corporate Governance page 11-14.</i></p>	
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**Recommendation 2.2**

1. Board oversees the development, review and approval of the company's business objectives and strategy.	<b>Compliant</b>	<p>The Company's Manual stipulates that the Board of Directors is responsible for overseeing development plans and approving the company's business objectives or targets established by reviewing the annual budget as part of their duties and responsibilities. <i>Link/Reference: Operational budget for 2023 was reviewed and approved by the Board last 2023.</i></p>	
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>Compliant</b>	<p>The Board of Directors meets on a regular basis to monitor the corporation's performance against the approved budget. Evaluate and monitor the implementation of existing policies and strategies on a periodic basis, including business plans, operating budgets, and the management team's overall performance using clear performance metrics. <i>Links/references are as follows: CCLPI Manual on Corporate Governance page 11-14.</i></p>	



Recommendation 2.3			
1. Board is headed by a competent and qualified Chairperson.	Compliant	<p>Mr. Renato S. Dychangco Jr. serves as the chairman of the board of directors. He is well-liked and respected, as well as competent and qualified, and he is well-versed in the CCLPI Plans' primary business' core businesses.</p> <p><i>Links/references are as follows: CCLPI Manual on Corporate Governance page 7-8.</i></p>	
Recommendation 2.4			
1. Board ensures and adopts an effective succession planning program for directors, key officers and management.	Compliant	<p>CCLPI Plans recognizes that establishing a succession plan for its Board of Directors is in the Company's, stakeholders', and employees' best interests and will ensure the Board's continuity of leadership. The succession plan is intended to safeguard and reassure all the Company's stakeholders by demonstrating that leadership changes would be meticulously planned, communicated, and implemented by the Board of Directors.</p> <p>Succession planning is a continuous process of identifying, assessing, and developing individuals to ensure the organization's continued effectiveness through leadership continuity. The succession plan addresses both the Board's overall structure and the Board's leadership positions.</p> <p><i>Links/references are as follows: CCLPI Manual on Corporate Governance page 24.</i></p>	



<p>2. Board adopts a policy on the retirement for directors and key officers.</p>	<p><b>Compliant</b></p>	<p>The company believes that age confers unparalleled wisdom and experience, expert business judgment, priceless industry knowledge and expertise, community relationships and authority, and that it is in the company's best interests to retain directors regardless of their age or contribution to the Board and organization.</p> <p>Thus, the company will establish an eighty-year retirement age for directors (80). Officers are retired with due diligence and in accordance with the company's policies and implementing guidelines for its retirement plan for all employees, the company's by-laws, the Labor Code, and the Philippine Corporation Code.</p> <p><i>See link/references: CCLPI Manual on Corporate Governance page 25.</i></p>	
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Recommendation 2.5			
1. Board formulates and adopts a policy specifying the relationship between remuneration and performance of key officers and board members.	Compliant	CCLPI Plans appreciates the Board of Directors' time, expertise, and dedication to the company. As a startup, the directors recognize that the company cannot currently pay on par with other preneed companies that have been in operation for some time. However, the company provides an honorarium of Php 10,000 for each regular board meeting. The company provides Php 5,000 to each committee member for special meetings or executive committee meetings.  <i>See reference for Remuneration Policy: CCLPI Manual on Corporate Governance page 26-27.</i>	
2. Board aligns the remuneration of key officers and board members with long-term interests of the company.	Compliant		
3. Directors do not participate in discussions or deliberations involving his/her own remuneration.	Compliant		
Recommendation 2.6			
1. Board has a formal and transparent board nomination and election policy.	Compliant	CCLPI Plans' Board of Directors has a formal and transparent board nomination and election policy, which is detailed in the Company's Manual, Amended Bylaws, and Guidelines for the Nomination and Election of Independent Directors, and is explained at each annual stockholders meeting by the Company's Corporate Secretary.  All shareholders have the right to nominate individually the members of the Board. Nominations for the position of a director are received by the Corporate Secretary in accordance with CCLPI Plans' By-Laws and the Guidelines for the Nomination and Election of Independent Directors.	
2. Board nomination and election policy is disclosed in the company's Manual on Corporate Governance.	Compliant		
3. Board nomination and election policy includes how the company accepts nominations from minority shareholders.	Compliant		
4. Board nomination and election policy includes how the board reviews nominated candidates.	Compliant		
5. Board nomination and election policy includes an assessment of the effectiveness of the Board's processes in the nomination, election or replacement of a director.	Compliant	The members of the Company's Board of Directors, as a rule, are selected and elected to serve the organization according to the procedures set forth in the Company's By-Laws, and with particular focus on Director's and Corporate Officer's ability to perform the duties and responsibilities as specified in the Manual, which	

6. Board has a process for identifying the quality of directors that is aligned with the strategic direction of the company.	<b>Compliant</b>	<p>duties and responsibilities as specified in the manual, which includes effective governance alignment with the Group's strategic and corporate planning activities.</p> <p>After proper screening, the Corporate Governance Committee approves a shortlist of candidates that are qualified to be nominated and elected as Directors and Independent Directors of CCLPI Plans.</p>	
<b>Recommendation 2.7</b>			
1. Board has overall responsibility in ensuring that there is a group-wide policy and system governing related party transactions (RPTs) and other unusual or infrequently occurring transactions.	<b>Compliant</b>	The Board of Directors is responsible for ensuring that the group has a policy and system in place that governs related parties and RPTs, particularly those that exceed a certain threshold of materiality. This policy was established to ensure that all RPTs are (i) at arm's length in accordance with transfer pricing rules; (ii) reasonable or based on market practices; and (iii) in the Company's and its shareholders' best interests. Additionally, the RPT Policy establishes a distinct level of reporting and approval for RPTs that exceed a predetermined threshold of materiality.	
2. RPT policy includes appropriate review and approval of material RPTs, which guarantee fairness and transparency of the transactions.	<b>Compliant</b>	Every Independent Director serves on the RPT Committee, which deliberates on material and significant repurchase agreements (RPAs) across the Group taking into consideration the size and structure, risk profile, and complexity of the CCLPI Plans' operations.	
3. RPT policy encompasses all entities within the group, taking into account their size, structure, risk profile and complexity of operations.	<b>Compliant</b>	<i>Links/references are as follows: CCLPI Manual on Corporate Governance page 28.</i>	



**Recommendation 2.8**

1. Board is primarily responsible for approving the selection of Management led by the Chief Executive Officer (CEO) and the heads of the other control functions (Chief Risk Officer, Chief Compliance Officer and Chief Audit Executive).	<b>Compliant</b>	A key responsibility of the board is to give final approval to the management team, which will be headed up by the CEO. For the time being, the other control function (CRO, Chief Audit Executive) has not been assigned a job title.	
2. Board is primarily responsible for assessing the performance of Management led by the Chief Executive Officer (CEO) and the heads of the other control functions (Chief Risk Officer, Chief Compliance Officer and Chief Audit Executive).	<b>Compliant</b>	The Manual requires the Board to evaluate the performance of the Board as a whole, the various Board Committees, the Individual Directors and Committee Members, and the Corporate Officers on an annual basis (including the CEO, the Chief Risk and Reputation Officer, the Chief Compliance Officer, and the Chief Marketing Officer)  <i>Links/references are as follows: CCLPI Manual on Corporate Governance page 23-24.</i>	

**Recommendation 2.9**

1. Board establishes an effective performance management framework that ensures that Management's performance is at par with the standards set by the Board and Senior Management.	<b>Compliant</b>	The Board of Directors is accountable for ensuring that management and team members perform to the Board's standards. The Company has a well-developed performance scorecard that is used to develop and align the annual plans of various business groups, business units, departments, and individuals. Individual performance is evaluated on an annual basis.	
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.	<b>Compliant</b>	<i>Links/references are as follows: Attached Annual Performance Evaluation on Annexes</i>	

**Recommendation 2.10**

1. Board oversees that an appropriate internal control system is in place.	<b>Compliant</b>	<p>The Board Audit Committee represents the Board in discharging its oversight function to ensure the adequacy and effectiveness of the Company's internal control system, governance processes and risk management processes, and reviewing the performance of the Company's internal audit function,</p> <p>Under the Company's Manual on Corporate Governance, an effective system of internal control, must include, among others, a mechanism for monitoring and managing potential conflict of interest among Directors, management, team members and shareholders.</p>	
2. The internal control system includes a mechanism for monitoring and managing potential conflict of interest of the Management, members and shareholders.	<b>Compliant</b>	<p>The Company's Code of Ethics and Business Conduct clearly outline the company's policies on the conflicts of interest situations. The Board also approved a Conflict of Interest Policy and a Related Party Transaction to ensure that material RPTs involving Management, Directors, Officers, and Shareholders within a certain threshold undergo the proper review and approvals.</p> <p>Links/references are as follows: <i>CCLPI Manual on Corporate Governance page 27-29</i></p>	
3. Board approves the Internal Audit Charter.	<b>Compliant</b>	<p>According to the CCLPI Plans' Corporate Governance Manual, an effective internal control system must include, among other things, a mechanism for monitoring and resolving potential conflicts of interest among directors, management, team members, and shareholders.</p> <p><i>See link/reference: CCLPI Manual on Corporate Governance page 27-29</i></p>	

**Recommendation 2.11**

1. Board oversees that the company has in place a sound enterprise risk management (ERM)	<b>Compliant</b>	Through the Board Risk Oversight Committee, the Board of Directors ensures that a sound Enterprise Risk Management (ERM) framework is in place to effectively identify, monitor, and manage critical business risks. The committee assists the Board of Directors in defining the Company's risk tolerance and monitoring the risk profile and performance against that tolerance. Additionally, the committee is accountable for identifying, quantifying, monitoring, and controlling the Company's primary business risks. The risk profile and risk management strategies of the company are reviewed and assessed on an annual basis.  <i>See link/reference: CCLPI Manual on Corporate Governance page 27-29</i>	
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.	<b>Compliant</b>		

**Recommendation 2.12**

1. Board has a Board Charter that formalizes and clearly states its roles, responsibilities and	<b>Compliant</b>	CCLPI Plans has a Board Charter that articulates the duties of the Board, the processes and protocols that must be followed in the conduct of board meetings, and the performance of board members.	
2. Board Charter serves as a guide to the directors in the performance of their functions.	<b>Compliant</b>		
3. Board Charter is publicly available and posted on the company's website.	<b>Compliant</b>	<i>See link/reference: CCLPI Manual on Corporate Governance page 11-14</i>	

**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.	<b>Compliant</b>	The Company's Board Committees consist of the following: Board Audit Committee, Board Risk Oversight Committee, Board Corporate Governance Committee, Board Related Party Transactions Committee, Remuneration Committee, Investment Committee, Personnel Committee, Claims Committee, and the Board Executive Committee. The composition, functions, and powers of the Board Committees are found in the Company's Manual. <i>See link/reference: CCLPI Manual on Corporate Governance page 20-22</i>	
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**Recommendation 3.2**

1. Board establishes an Audit Committee to enhance its oversight capability over the company's financial reporting, internal control system, internal and external audit processes, and compliance with applicable laws and regulations.	<b>Compliant</b>	<p>The Company's Board Audit Committee assists the Board in fulfilling its the tasks of:</p> <p>(a) Ensuring the integrity of the Company's financial reporting processes, including ensuring the integrity of financial reports and other financial information provided by the Company to the public, governmental and/or regulatory bodies;</p> <p>(b) Ensuring the adequacy and effectiveness of the Company's internal control system, governance processes and risk management processes and reviewing the performance on the Company's internal audit function;</p> <p>(c) Reviewing the annual independent audit of the Company's financial statements and the external auditors' qualifications and independence;</p> <p>(d) Ensuring compliance with applicable laws and regulations which may represent material financial exposure to the Company; and</p> <p>(e) Providing an avenue of communication among the Company</p> <p>The Audit Committee has the responsibility to select, evaluate, review of the performance, scope of work and fees of the external auditor, and where appropriate, recommend the re-appointment or replacement of the current external auditor.</p> <p><b>See link/reference: CCLPI Manual on Corporate Governance page 21</b></p>	
2. Audit Committee is composed of at least three appropriately qualified non-executive directors, the majority of whom, including the Chairman is independent.	<b>Compliant</b>	<p>The Board Audit Committee is composed of the following members, as of December 31, 2023:</p> <p>Mr. Augustus Ferreria - Committee Chairman, Independent Director</p> <p>Engr. Ronald Chan - Non-Executive Director</p> <p>Mr. Floriano R. Hilot - Independent Director</p> <p>Chairman of the Board - Ex Officio</p> <p>The Chairman of the Board Audit Committee, Mr. Augustus Ferreria, is an Independent Director.</p>	
3. All the members of the committee have relevant background, knowledge, skills, and/or experience in the areas of accounting, auditing and finance.	<b>Compliant</b>	<p>The members of the Board Audit Committee are well experienced in the areas of accounting, banking, audit, and finance.</p>	

4. The Chairman of the Audit Committee is not the Chairman of the Board or of any other committee.	<b>Non-compliant</b>	Mr. Augustus Ferreria, the Chairman of the Board Audit Committee, is an Independent Director. He is not the Chairman of the Board of Directors, however, he is also the Chairman of the Personnel Committee	The Board will make necessary changes on this matter and will comply with the recommendation of the Commission.
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Recommendation 3.3			
1. Board establishes a Corporate Governance Committee tasked to assist the Board in the performance of its corporate governance responsibilities, including the functions that were formerly assigned to a Nomination and Remuneration Committee.	Compliant	The Board Audit Committee is composed of the following members, as of December 31, 2023: Ret. Judge Antonio Manuel Alcantara - Committee Chairman Atty. Daniel Evangelio - Non-Executive Director Atty. Kerwin Tan - Non-Executive Director Mr. Floriano R. Hilot - Independent Director Mr. Augustus Ferreria - Independent Director Chairman of the Board - Ex-Officio member	
2. Corporate Governance Committee is composed of at least three members, majority of whom should be independent directors.	Compliant		
3. Chairman of the Corporate Governance Committee is an independent director.	Non-compliant		The Chairman of the Corporate Governance Committee is not an independent director. We are yet to make necessary changes based on this recommendation as soon as it will hold its meeting.
Recommendation 3.4			
1. Board establishes a separate Board Risk Oversight Committee (BROC) that should be responsible for the oversight of a company's Enterprise Risk Management system to ensure its functionality and effectiveness.	Compliant	The Board Risk Oversight Committee is responsible for overseeing the Company's Enterprise Risk Management system, which is responsible for identifying, measuring, monitoring, and managing the Company's primary business and reputational risks. <i>See link/reference: CCLPI Manual on Corporate Governance page 22</i>	
2. BROC is composed of at least three members, the majority of whom should be independent directors, including the Chairman.	Compliant	The Board Risk Oversight Committee is composed of the following directors: Mr. Alvin Tan Unjo - Committee Chairman Mr. Augustus Ferreria - Independent Director Mr. Floriano R. Hilot - Independent Director Chairman of the Board - Ex-Officio member	
3. The Chairman of the BROC is not the Chairman of the Board or of any other committee.	Compliant	The BROC Chairman is Mr. Alvin Tan-Unjo, and he is not the Chairman of the Board.	
4. At least one member of the BROC has relevant thorough knowledge and experience on risk and risk management.	Compliant	Every member of the BROC possesses relevant knowledge and experience in the areas of risk and risk management, among other things.	



Recommendation 3.5			
1. Board establishes a Related Party Transactions (RPT) Committee, which is tasked with reviewing all material related party transactions of the company.	Compliant	The Related Party Transaction Committee is responsible for ensuring that the Corporation maintains the highest standards of integrity in its dealings with the public and various stakeholders. It independently reviews, vets, and endorses all related party transactions to ensure that they are conducted on terms that are no less favorable to the company than those available to an unaffiliated third party in similar or identical circumstances. <i>See link/reference: CCLPI Plans Manual on Corporate Governance page 23.</i>	
2. RPT Committee is composed of at least three non-executive directors, two of whom should be independent, including the Chairman.	Compliant	The RPT Committee is composed of the following directors: Mr. Exequiel D. Robles - Committee Chairman Mr. Renato S. Dychangco Jr. - Member Mr. Augustus Ferreria - Independent Director Mr. Floriano R. Hilot - Independent Director Chairman of the Board - Ex-Officio member	
Recommendation 3.6			
1. All established committees have a Committee Charter stating in plain terms their respective purposes, memberships, structures, operations, reporting process, resources and other relevant information.	Compliant	The Company has Committee Charters for each of its Committees duly approved by the Board, namely: Corporate Governance Committee, Audit Committee, Board Risk Oversight Committee, Related Party Transaction Committee, Investment Committee, Personnel Committee, Claims Committee, and the Executive Committee	
2. Committee Charters provide standards for evaluating the performance of the Committees.	Compliant		
3. Committee Charters were fully disclosed on the company's website.	Compliant		

**Principle 4:** To show full commitment to the company, the directors should devote the time and attention necessary to properly and effectively perform their duties and responsibilities, including sufficient time to be familiar with the corporation's business.

**Recommendation 4.1**

1. The Directors attend and actively participate in all meetings of the Board, Committees and shareholders in person or through tele/videoconferencing conducted in accordance with the rules and regulations of the Commission.	<b>Compliant</b>	The company manual mandates each Director to devote time and attention necessary to properly discharge his duties and responsibilities. To this end, Directors attend and actively participate in Board and Committee meetings whether the meeting is via tele or video conference, or the Directors are physically present during the meeting. The Company provides different secured online platforms to ensure attendance and active participation for all Directors.	
2. The directors review meeting materials for all Board and Committee meetings.	<b>Compliant</b>	Directors are expected to attend and participate actively in Board and Committee meetings, review meeting materials, and ask questions or seek clarification. Board meeting materials are distributed via email at least three to five days prior to the meeting.  <i>See sample e-mail to the Board of Directors notifying them that the materials for the 2023 Regular Board Meeting have been sent. (Annexes)</i>	
3. The directors ask the necessary questions or seek clarifications and explanations during the Board and Committee meetings.	<b>Compliant</b>	CCLPI Plans' directors are expected to maintain a constant awareness of and familiarity with the company's operations to contribute meaningfully to the Board's work. He is also expected to attend and participate actively in Board and Committee meetings, review meeting materials, and, when appropriate, ask questions or seek clarification.  <i>See Board Meeting minutes showing discussions between the Directors. (Annexes)</i>	

<b>Recommendation 4.2</b>			
1. Non-executive directors concurrently serve in a maximum of five Insurance Commission Regulated Entities (ICREs) and publicly-listed companies to ensure that they have sufficient time to fully prepare for minutes, challenge Management's proposals/views, and oversee the long-term strategy of the company.	<b>Compliant</b>	The CCLPI Plans Manual limits its members' directorships, taking into account their ability to discharge their duties and responsibilities diligently and effectively, as well as the nature and type of corporations in which they may serve as directors, regardless of the number of directorships held. In any case, Directors' capacity to serve with diligence shall not be jeopardized.	
<b>Recommendation 4.3</b>			
1. The directors notify the company's board where he/she is an incumbent director before accepting a directorship in another company.	<b>Compliant</b>	The Directors disclose his or her directorships in other companies and notify the Board prior to accepting any directorships outside of CCLPI Plans during his or her term on the Board of Directors.	
<b>Principle 5: The board should endeavor to exercise an objective and independent judgment on all corporate affairs</b>			
<b>Recommendation 5.1</b>			
1. The Board is composed of at least twenty percent (20%) Independent Directors	<b>Compliant</b>	The Board is composed of 12 directors, 20% of which are Independent Directors namely: Mr. Augustus Ferreria & Mr. Floriano R. Hilot	
<b>Recommendation 5.2</b>			
1. The independent directors possess all the necessary qualifications and none of the disqualifications to hold the positions.	<b>Compliant</b>	<p>As a general rule, an Independent Director should have a broad understanding of the Company's business and the qualifications and stature necessary to participate effectively and objectively in the Board's deliberations. As a result, the Governance and Compliance Team maintains and applies a checklist containing all of the qualifications required by the CCLPI Plans' Manual of Corporate Governance, Insurance Commission standards, and applicable laws.</p> <p><i>See link/reference: CCLPI Manual on Corporate Governance page 16-18</i></p>	



### Recommendation 5.3

<p>1. The independent directors serve for a cumulative term of nine years.</p> <p>As far as Insurance Companies are concerned, the foregoing term limit shall be reckoned from 02 January 2015 while the reckoning date for the Pre-need Companies and Health Maintenance Organizations shall be from 21 September 2016. For other covered entities, all previous terms served by existing Independent Directors prior to the effectivity of this Circular shall not be included in the application of the term limit prescribed in this item.</p>	<p><b>Compliant</b></p>	<p>CCLPI Plans complies with the requirements of IC Circular Letter No. 2018-36 dated June 26, 2018, which establishes term limits for Independent Directors in Pre-need Companies. Independent Directors may typically serve for a maximum of nine consecutive years, beginning in 2016. Since 2016, Mr. Augustus Ferreria has served as an Independent Director of CCLPI Plans.</p>	
<p>2. The company bars an independent director from serving in such capacity after the term limit of nine years.</p>	<p><b>Compliant</b></p>	<p>CCLPI Plans complies with the requirements of IC Circular Letter No. 2018-36 dated June 26, 2018, which establishes term limits for Independent Directors for Pre-need Companies. Independent Directors, beginning in 2016, may serve for a maximum of nine consecutive years.</p>	
<p>3. In the instance that the company retains an independent director in the same capacity after nine years, the board submits to the Insurance Commission a formal written justification and seeks shareholders' approval during the annual shareholders' meeting.</p>	<p><b>Compliant</b></p>	<p>CCLPI Plans complies with the requirements of IC Circular Letter No. 2018-36 dated June 26, 2018 establishing term limits for Independent Directors in Pre-need Companies. Independent Directors may typically serve for a maximum of nine consecutive years beginning in 2016.</p>	<p>As a recently established pre-need company, we have not yet reached the maximum term limit for our Independent Directors.</p>

Recommendation 5.4			
1. The positions of Chairman of the Board and Chief Executive Officer are held by separate individuals.	Compliant	In 2023, Mr. Renato S. Dychango Jr. is the Chairman of the Board and Mr. Mansueto V. Dela Peña is the President and CEO. <i>See link of company website: <a href="http://cclpi.com.ph/board-members/">http://cclpi.com.ph/board-members/</a></i>	
2. The Chairman of the Board and Chief Executive Officer have clearly defined responsibilities.	Compliant	The Company's By Laws and Manual clearly and separately define the duties and responsibilities of the Company's Chairman of the Board of Directors and CEO. <i>See link/reference: CCLPI Manual on Corporate Governance page 8-9.</i>	
Recommendation 5.5			
1. If the Chairman of the Board is not an independent director or where the roles of the Chairman and CEO are being held by one person, the board designates a lead director among the independent directors.	Compliant	Mr. Renato S. Dychangco Jr. is the Chairman of the Board and a Non-Executive Director. The Company appointed Mr. Augustus J.V Ferreria and Mr. Floriano R. Hilot as Independent Directors. <i>See website link: <a href="http://cclpi.com.ph/board-members/">http://cclpi.com.ph/board-members/</a></i>	
Recommendation 5.6			
1. Directors with material interest in a transaction affecting the corporation abstain from taking part in the deliberations for the same.	Compliant	In the event of a conflict of interest, the conflicted board member is required to promptly notify the Board, via the Corporate Secretary of CCLPI Plans, of any actual or potential conflict of interest. The conflicted board member shall abstain from discussions and voting on transactions in which he or she is a conflicted party.  In 2023, no transaction occurred in which a director had a material interest and abstained from voting.  <i>See link/reference: CCLPI Manual on Corporate Governance page 31</i>	

**Recommendation 5.7**

1. The non-executive Directors (NEDs) have separate periodic meetings with the external auditor and heads of the internal audit, compliance and risk functions, without any executive present to ensure that proper checks and balances are in place within the corporation.	<b>Non-compliant</b>		Despite the fact that the Corporation has yet to hold a periodic meeting, it will follow the Commission's recommendation.
2. The meetings are chaired by the lead			

**Principle 6:** The best measure of the Board's effectiveness is through an assessment process. The Board should regularly carry out evaluations to appraise its performance as a body, and assess whether it possesses the right mix of backgrounds and competencies.

**Recommendation 6.1**

1. Board conducts an annual self-assessment of its performance as a whole.	<b>Compliant</b>	In accordance with its Manual, the Company conducts an annual assessment of the performance of the Board as a body, of the Chairman, of each of the individual Directors, the Committees, and Corporate Officers such as the Chief Executive Officer, Chief Marketing Officer, and Chief Compliance Officer. <i>See link/reference: CCLPI Manual on Corporate Governance page 23-24.</i>	
2. The performance of the Chairman is assessed annually by the Board.	<b>Compliant</b>	The Chairman of the Board ensures that the performance of the Board is evaluated at least once a year and discussed/followed up on. <i>See link/reference: CCLPI Manual on Corporate Governance page 23-24.</i>	
3. The performance of the individual member of the Board is assessed annually by the Board.	<b>Compliant</b>	The Board of Directors also conducts an evaluation of the performance of the board. In the event that the Chairman of the Board is not an independent director, the Lead Independent Director is responsible for contributing to the Chairman's performance evaluation. <i>See link/reference: CCLPI Manual on Corporate Governance page 23-24.</i>	
4. The performance of each committee is assessed annually by the Board.	<b>Compliant</b>	The Board likewise conducts an assessment of the board committees' performance. <i>See link/reference: CCLPI Manual on Corporate Governance page 23-24.</i>	



5. Every three years, the assessments are supported by an external facilitator.	Non-compliant		This recommendation has not yet been implemented for the year 2023. With this recommendation in mind, the company intends to proceed with the assessment with the assistance of an external facilitator.
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#### Recommendation 6.2

1. Board has in place a system that provides, at the minimum, criteria and process to determine the performance of the Board, individual directors and committees.	Compliant	<p>Members of the Board complete a Self-Assessment Questionnaire that contains a variety of statements about:</p> <ul style="list-style-type: none"> <li>(i) CCLPI Plans compliance with applicable, and best corporate governance practices and principles</li> <li>(ii) the individual Director's participation, engagement, and contribution to the Board and Board Committees; and</li> <li>(iii) an evaluation of the performance by the Board of its duties and responsibilities as provided in this Manual, Charter Documents, and governing policies.</li> </ul> <p>The Chairman of the Board ensures that the self-assessment is done at least once a year and the results are discussed by the Board Corporate Governance Committee.</p> <p><i>See link/reference: CCLPI Manual on Corporate Governance page 23-24.</i></p>	
2. The system allows for a feedback mechanism from the shareholders.	Compliant	<p>The Company has made available to its shareholders various communication channels to collect their feedback: (i) the Company's website contains a "contact us" portion, where shareholders can reach out to the Directors through the company website.</p> <p><i>See link/reference: <a href="http://cclpi.com.ph/contact/">http://cclpi.com.ph/contact/</a></i></p>	

**Principle 7:** Members of the Board are duty-bound to apply high ethical standards, taking into account the interests of all stakeholders.

#### Recommendation 7.1

<p>1. Board adopts a Code of Business Conduct and Ethics, which provide standards for professional and ethical behavior, as well as articulate acceptable and unacceptable conduct and practices in internal and external dealings of the company.</p>	<p><b>Compliant</b></p>	<p>CCLPI Plans adopted the Code of Ethics and Business Conduct (the Code), which outlines how Executive Management, team leaders, and team members can uphold ethical standards in daily operations and summarizes the Company's fundamental policies and directives. <i>See link/reference: CCLPI Manual on Corporate Governance page 29-32.</i></p>	
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2. The Code is properly disseminated to the Board, senior management and employees.	<b>Compliant</b>	<p>CCLPI Plans Director, Officer, and Employee is personally responsible for ensuring that business practices adhere to the Code's rules. The Governance and Compliance Team initially distributed the Code to all team leaders. Additionally, human resources team distributed the Code to employees and officers of various business units via e-learning platforms (electronic copy) and new hire orientation.</p> <p><i>See link/reference: CCLPI Manual on Corporate Governance page 29-30.</i></p>	
3. The Code is disclosed and made available to the public through the company website.	<b>Non-compliant</b>		<p>There is still some work to be done on the Code before it is made public and available on the company's website. The Code of Conduct will be posted to the company's website as soon as it is finalized.</p>
<b>Recommendation 7.2</b>			
1. Board ensures the proper and efficient implementation and monitoring of compliance with the Code of Business Conduct and Ethics.	<b>Compliant</b>	<p>CCLPI Plans' Code of Conduct and Discipline, all Directors, Corporate Officers, team leaders, and team members are expected to read and follow the Code, as well as review and review their commitment to the obligations and responsibilities outlined in the same.</p> <p><i>See link/reference: CCLPI Manual on Corporate Governance page 29-30.</i></p>	
2. Board ensures the proper and efficient implementation and monitoring of compliance with company internal policies.	<b>Compliant</b>	<p>The Human Resources Team at CCLPI Plans is responsible for disseminating the contents of the Code to existing and new Directors, Corporate Officers, and employees, including new hire orientation, onboarding sessions, and other training sessions.</p>	



## Disclosure and Transparency

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

### Recommendation 8.1

1. Board establishes corporate disclosure policies and procedures to ensure a comprehensive, accurate, reliable and timely report to shareholders and other stakeholders that gives a fair and complete picture of a company's financial condition, results and business operations.	<b>Compliant</b>	<p>The Board of Directors approved the CCLPI Plans' Disclosure Policy, which is intended to ensure that the Company's disclosures adhere to the principles of accuracy, accessibility, timeliness, completeness, and regularity.</p> <p>However, while the company's disclosure policy strives to strike a reasonable balance between the transparency of the Company and the protection of its commercial interests, it also aims to provide information to shareholders and other interested parties to assist them in making sound investment decisions.</p> <p><i>See link/reference: CCLPI Manual on Corporate Governance page 32-33</i></p>	
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### Recommendation 8.3

1. Board fully discloses all relevant and material information on individual board members to evaluate their experience and qualifications, and	<b>Compliant</b>	<p>CCLPI Plans discloses all relevant and material information about individual board members in order to assess their experience, qualifications, and directorships within and outside of the CCLPI Plans, as well as any potential conflicts of interest.</p> <p><i>See reference of nominees with their professional background and experience, as attached in Annex.</i></p>	
2. Board fully discloses all relevant and material information on key executives to evaluate their experience and qualifications, and assess any potential conflicts of interest that might affect their judgment.			

### Recommendation 8.4

1. Company provides a clear disclosure of its policies and procedure for setting Board remuneration, including the level and mix of the same in the Annual Corporate Governance Report consistent with ASEAN Corporate Governance Scorecard (ACGS) and the Revised Corporation code.	<b>Non-compliant</b>		<p>Based on this recommendation, CCLPI Plans' policy on disclosing compensation for its directors has yet to be established. You can be confident that the company will follow the commission's recommendations.</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 Annual Corporate Governance Report consistent with ASEAN Corporate.	<b>Non-compliant</b>		

3. Company discloses the remuneration on an individual basis, including termination and retirement provisions.	<b>Non-compliant</b>		
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Recommendation 8.5			
1. Company discloses its policies governing Related Party Transactions (RPTs) and other unusual or infrequently occurring transactions.	Compliant	RPT-related provisions found in the CCLPI Plans' Manual set out proper review, approval, and reporting of transactions which may be entered into between or among the company or any of its Affiliates, Directors and Officers.  <i>See link/reference: CCLPI Plans Manual on Corporate Governance page 28</i>	
2. Company discloses material or significant RPTs in its Annual Company Report or Annual Corporate Governance Report, reviewed and approved by the Board, and submitted for confirmation by majority vote of the stockholders' meeting during the year.	Compliant	There are no transactions discussed or approved by the Board in 2023 in which a director has a conflict of interest.	
Recommendation 8.7			
1. Company's corporate governance policies, programs and procedures are contained in its Manual on Corporate Governance (MCG).	Compliant	CCLPI Plans' corporate governance policies, programs, and procedures are detailed in its company's governance manual, which is available on the company's website.	
2. Company's MCG is posted on its company website.	Compliant		
<b>Principle 9:</b> 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 recommends the approval for appointment/re-appointment, removal and fees of the independent external auditor.  <i>See link/reference: Audit Charter page 5.</i>	
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		
3. For removal of the external auditor, the reasons for removal or change are disclosed to the regulators and the public through the company website and required disclosures.	Compliant	CCLPI Plans has yet to fire an external auditor. Because it is still a startup, the current auditor, Garsuta & Quilab Co., has been the auditor for four years. However, this function is part of the Audit Committee's duty and responsibility.	



**Recommendation 9.2**

1. Audit Committee Charter includes the Audit Committee's responsibility on:	<b>Compliant</b>	<i>Under the Board Audit Committee Charter, the Board Audit Committee has the primary duties to:</i> a.Ensuring the integrity of the Company's financial reporting processes, including ensuring the integrity of financial reports and other financial information provided by the Company to the public, governmental and/or regulatory bodies. b.Ensuring the adequacy and effectiveness of the Company's internal control system, governance processes and risk management processes and reviewing the performance on the Company's internal audit function; c.Reviewing the annual independent audit of the Company's financial statements and the external auditors' qualifications and independence; d.Ensuring compliance with applicable laws and regulations which may represent material financial exposure to the Company; and e.Providing an avenue of communication among the Company's independent auditors, management, the internal auditing department and the Company.  <i>See: Board Audit Committee Charter pp: 4-9: Duties and Responsibilities of the Committee, attached herein</i>	
i. assessing the integrity and independence of external auditors;			
ii. exercising effective oversight to review and monitor the external auditor's independence and objectivity; and			
iii. exercising effective oversight to review and monitor the effectiveness of the audit process, taking into consideration relevant Philippine professional and regulatory requirements.			
2. Audit Committee Charter contains the Committee's responsibility on reviewing and monitoring the external auditor's suitability and effectiveness on an annual basis.	<b>Compliant</b>	The Committee's charter states that it is responsible for annually reviewing and monitoring the suitability and effectiveness of the external auditor.  <i>Board Audit Committee Charter, page 5-6: Item B. Independent External Auditors</i>	

**Recommendation 9.3**

1. Company discloses the nature of non-audit services performed by its external auditor in the Annual Report to deal with the potential conflict of interest.	<b>Compliant</b>	CCLPI Plans did not retain Quilab & Garsuta Co. for any nonaudit/consultancy services in 2023. As a result, no non-audit fees were paid.	
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<p>2. Audit Committee stays alert for any potential conflict of interest situations, given the guidelines or policies on non-audit services, which could be viewed as impairing the external auditor's objectivity.</p>	<p><b>Compliant</b></p>	<p>The Board Audit Committee evaluates the professional qualifications, performance, compensation, and, most importantly, independence of the external auditors on a regular basis. The evaluation includes a review of the external auditor's lead partner's qualifications, performance, and independence.</p> <p>The following are links/references:  <i>i. Board Audit Committee Charter, page 5.</i></p>	
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<b>Principle 10:</b> The company should ensure that the material and reportable non-financial and sustainability issues are disclosed.			
<b>Recommendation 10.1</b>			
1. Board has a clear and focused policy on the disclosure of non-financial information, with emphasis on the management of economic, environmental, social and governance (EESG) issues of its business, which underpin sustainability.	Compliant	CCLPI Plans shall establish a policy for the disclosure of material and reportable information concerning non-financial and sustainability issues, with a focus on the management of the business's economic, environmental, social, and governance (EESG) issues, in accordance with a globally recognized standard in reporting sustainability and non-financial information.	
2. Company adopts a globally recognized standard/framework in reporting sustainability and non-financial issues.	Compliant	<i>See link/reference: CCLPI Plans Manual on Corporate Governance page. 33</i>	
<b>Principle 11:</b> The company should maintain a comprehensive and cost-efficient communication channel for disseminating relevant information. This channel is crucial for informed decisionmaking by investors, stakeholders and other interested users.			
<b>Recommendation 11.1</b>			
1. The company should have a website to ensure comprehensive, cost efficient, transparent, and timely manner of disseminating relevant information to the public.	Compliant	CCLPI Plans maintains its own website with up-to-date information on the company's operations, annual reports, and other information relevant to stakeholders.  <i>See link on FS Synopsis. <a href="http://cclpi.com.ph/annual-statement/">http://cclpi.com.ph/annual-statement/</a></i>	
<b>Internal Control System and Risk Management Framework</b>			
<b>Principle 12:</b> 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.			
<b>Recommendation 12.1</b>			
1. Company has an adequate and effective internal control system in the conduct of its business.		All internal controls procedures and risk management systems are incorporated in the policies of the Board Audit Committee Charter and Risk Enterprise Management respectively.  <i>See link/reference: CCLPI Plans Manual on Corporate Governance page 27-29.</i>	



<p>2. Company has an adequate and effective enterprise risk management framework in the conduct of its business.</p>		<p>A clear understanding of the Company's key risks, as well as the consistent execution of Risk Management program activities to address them, is an essential component of its risk management discipline. The regular review of the Risk Management Plans of all its business units is part of Risk Management governance.</p> <p><i>See link/reference: CCLPI Plans Manual on Corporate Governance page 27-29.</i></p>	
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<b>Recommendation 12.2</b>			
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.	<b>Non-compliant</b>		This recommendation has yet to be adopted by the company, but rest assured that it will be implemented.
<b>Recommendation 12.3</b>			
1. Company has a qualified Chief Audit Executive (CAE) appointed by the Board.	<b>Non-compliant</b>		This recommendation has yet to be adopted by the company, but rest assured that it will be implemented.
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.	<b>Non-compliant</b>		This recommendation has yet to be adopted by the company, but rest assured that it will be implemented.
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.	<b>Non-compliant</b>		This recommendation has yet to be adopted by the company, but rest assured that it will be implemented.
<b>Recommendation 12.4</b>			
1. Company has a separate risk management function to identify, assess and monitor key risk exposures.	<b>Compliant</b>	<p>A thorough understanding of the CCLPI Plans' key risks, as well as the consistent execution of Risk Management program activities to address them, is an essential component of its risk management discipline. The regular review of the Risk Management Plans of all its business units is part of Risk Management governance.</p> <p><i>See link/reference: CCLPI Plans Manual on Corporate Governance page 27-29.</i></p>	Although this recommendation has not yet been implemented, CCLPI Plans' Board of Directors is committed to establishing a fully functional enterprise risk management system for the company. The Board Risk and Oversight Committee oversees the Company's risk management functions.

Recommendation 12.5			
1. In managing the company's Risk Management System, the company has a Chief Risk Officer (CRO), who is the ultimate champion of Enterprise Risk Management (ERM).	Non-compliant		A Chief Risk Officer is not yet in place to oversee Enterprise Risk Management because the company is still in its early stages. This suggestion was taken into consideration. At the moment, the Board has granted management permission to engage in investment-related transactions at a certain risk level.
2. CRO has adequate authority, stature, resources and support to fulfill his/her responsibilities.	Non-compliant		
Cultivating a Synergic Relationship with Shareholders			
<b>Principle 13:</b> The company should treat all shareholders fairly and equitably, and also recognize, protect and facilitate the exercise of their rights.			
1. Board ensures that basic shareholder rights are disclosed in the Manual on Corporate Governance.	Compliant	The Company's Manual provides shareholder's rights and protection. <i>See link/reference: CCLPI Plans Manual on Corporate Governance page 33-35.</i>	
2. Board ensures that basic shareholder rights are disclosed on the company's website.	Compliant	The Corporate Governance Manual, which outlines shareholder rights and protection, can be found on the company's website.  <i>Please see link:</i> <a href="https://cclpi.com.ph/wp-content/uploads/2021/08">https://cclpi.com.ph/wp-content/uploads/2021/08</a>	
Recommendation 13.2			
1. Board encourages active shareholder participation by sending the Notice of Annual and Special Shareholders' Meeting with sufficient and relevant information at least 21 days before the meeting.	Compliant	To encourage active shareholder participation in the ASM, the Board ensures that the ASM Notice and Agenda are made available at least 28 days before the meeting. The ASM Notice, as well as financial statements and information on incumbent and nominated Directors and Corporate Officers, were made public.	However, due to the pandemic, the Board approved the indefinite suspension of face-to-face stockholder meetings.
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.	Non-compliant		This recommendation has yet to be adopted by the company, but rest assured that the company will comply with the Commission's recommendation as soon as we hold our Annual Stockholders Meeting.



2. Minutes of the Annual and Special Shareholders' Meetings are available on the company website within five business days from the end of the meeting.	<b>Non-compliant</b>		
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**Recommendation 13.4**

1. Board has an alternative dispute mechanism to resolve intra-corporate disputes in amicable and effective manner.	<b>Compliant</b>	The CCLPI Plans' Manual authorizes the Board to adopt the rules and procedures outlined in Republic Act No. 9285, also known as the Alternative Dispute Resolution Act of 2004, as an alternative means of amicably and fairly resolving such disputes, conflicts, or differences, in order to alleviate the time-consuming process of court litigation.	
2. The alternative dispute mechanism is included in the company's Manual on Corporate Governance.	<b>Compliant</b>	<i>See link/reference: CCLPI Plans Manual on Corporate Governance page 35.</i>	

**Duties to Stakeholders**

**Principle 14:** The rights of stakeholders established by law, by contractual relations and through voluntary commitments must be respected. Where stakeholders' rights and/or interests are at stake, stakeholders should have the opportunity to obtain prompt effective redress for the violation of their rights.

**Recommendation 14.1**

1. Board identifies the company's various stakeholders and promotes cooperation between them and the company in creating wealth, growth and sustainability.	<b>Non-compliant</b>		The company has yet to adopt this recommendation, but rest assured that it will develop policies and programs based on it.
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**Recommendation 14.2**

1. Board establishes clear policies and programs to provide a mechanism on the fair treatment and protection of stakeholders.	<b>Non-compliant</b>		The company has yet to adopt this recommendation, but rest assured that it will develop policies and programs based on it.
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**Recommendation 14.3**

1. Board adopts a transparent framework and process that allow stakeholders to communicate with the company and to obtain redress for the violation of their rights.	<b>Non-compliant</b>		The company has yet to adopt this recommendation, but rest assured that it will develop policies and programs based on it.
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### Encouraging employees' participation

**Principle 15:** A mechanism for employee participation should be developed to create a symbiotic environment, realize the company's goals and participate in its corporate governance processes.

#### Recommendation 15.1

1. Board establishes policies, programs and procedures that encourage employees to actively participate in the realization of the company's goals and in its governance.	<b>Compliant</b>	<p>Grow Human Capital, one of the company's strategic pillars, recognizes the critical role that employees, or "team members," as they are referred to, play in the accomplishment of the company's goals.</p> <p>CCLPI Plans recognizes that attracting, optimizing, and retaining top-tier professionals is critical to its success. As a result, several policies and programs have been developed to ensure that team members are actively engaged and invested in the Company's success. These include activities that address an individual's needs, such as giving back, growing, belonging, and contributing.</p> <p>Links/references are as follows:</p> <p>i. <i>Code of Ethics and Business Conduct – CCLPI Plans Manual on Corporate Governance pages 29-32</i></p>	
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#### Recommendation 15.2

1. Board sets the tone and makes a stand against corrupt practices by adopting an anticorruption policy and program in its Code of Conduct.	<b>Compliant</b>	<p>The Company's policies on anti-bribery and corruption is found in the CCLPI Plans Manual on Corporate Governance.</p> <p>Links/references are as follows: <i>CCLPI Plans Manual on Corporate Governance pages 31-32</i></p>	
2. Board disseminates the policy and program to employees across the organization through trainings to embed them in the company's culture.	<b>Compliant</b>	<p>CCLPI Plans' HR Team is responsible for disseminating the contents of the Code to existing and new Directors, Corporate Officers, and employees through the new hires' orientation, onboarding sessions, and other trainings.</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	<b>Compliant</b>	The company's policy is based on the Whistleblowing Policy found in the CCLPI Plans Manual on Corporate Governance.  <i>Links/references are as follows: CCLPI Plans Manual on Corporate Governance pages 32</i>	
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.	<b>Compliant</b>		
3. Board supervises and ensures the enforcement of the whistleblowing framework.	<b>Compliant</b>		

**Duties to Stakeholders**

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

**Recommendation 16.1**

1. Company recognizes and places importance on the interdependence between business and society, and promotes a mutually beneficial relationship that allows the company to grow its business, while contributing to the advancement of the society where it operates.	<b>Non-compliant</b>		The company's social responsibility has yet to be established. The company is continuing to explore programs aimed at striking a balance between economic growth and social development.
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