



STRONGHOLD INSURANCE COMPANY, INC.

17TH Floor Security Bank Centre, 6776 Ayala Avenue

Makati City



STRONGHOLD

INSURANCE COMPANY, INCORPORATED

2021 ANNUAL CORPORATE GOVERNANCE REPORT

STRONGHOLD INSURANCE COMPANY, INC.

(Name of the Company)

1. For the fiscal year ended 2021
2. Certificate Authority Number Blg. 2022/14-R
3. *(See attachment)*
Province, Country or another jurisdiction of
Incorporation or organization
4. 17th Floor Security Bank Centre 6776 Ayala Avenue, Makati City
Address of Principal Office
Postal Code: 1223
5. Company's telephone number, including area code (632) 8891-1329 to 37
6. Company's Official Website strongholdinsurance.com.ph
7. Former Name, former address, and former
Fiscal year, if changed since last report. N/A

CERTIFIED BY:


MR. JOSE T. VALLEJOS, JR.


ATTY. FLORENTINO H. GARCES


MR. ROMULO I. DELOS REYES, JR.


MS. CORAZON T. AGUIRRE


MS. SONIA M. ROCO


MR. NOEL G. MERCADO


MR. EDMUND V. SAYO


MR. CORNELIOT RIVERA


MR. DAVID C. MERCADO

Attested by:


FLORENTINO H. GARCES
Corporate Secretary

SUBSCRIBED AND SWORN to before me this 26th day of May, 2022 in the City of Makati, affiant exhibited to me competent evidence of his identity bearing his picture and signature in the form of his Non-Professional Driver's License with No. N03-94-157872 issued by Land Transportation Office valid until October 16, 2022.

Doc. No. 374 ;
Page No. 76 ;
Book No. XXIV ;
Series of 2022.


ATTY. DAVE JOHN T. HERNANDEZ
NOTARY PUBLIC FOR MAKATI CITY
COMMISSION NO. M-278
VALID UNTIL JUNE 30, 2022
(PER SUPREME COURT EN BANC RESOLUTION DATED
SEPTEMBER 28, 2021 PURSUANT TO B.M. NO. 3795)
6TH/F ZETA II ANNEX BUILDING
191 SALCEDO STREET, LEGASPI VILLAGE
MAKATI CITY, METRO MANILA
ROLL OF ATTORNEYS NO. 59749
IBP O.R. NO. 171489 / 01-03-2022 / MAKATI CHAPTER
PTR NO. 8853619 / 01-03-2022 / MANILA
MCLE COMPLIANCE NO. VI-0021957 / 04-12-2019

BRANCHES DIRECTORY (NATIONWIDE)

AREA	ADDRESS
NCR (National Capital Region)	
1 HEAD OFFICE	17th Flr. Security Bank Centre, 6776 Ayala Ave., Makati City
2 MANILA SERVICE OFFICE	Rm 308 Regina Bldg Escolta Manila
3 MAKATI ANNEX OFFICE	Rm 1408, Cityland 10, Tower 2, 6817 Ayala Ave., Salcedo Village, Makati City
4 ORTIGAS BUSINESS CENTER	2712 AIC Burgundy Empire Tower, Ortigas Center, Pasig City
5 BUENDIA BUSINESS CENTER	Mezanine Floor, Burgundy Tower, Sen. Gil Puyat Avenue
6 ALABANG BRANCH	M2, South Center Tower, Market St. Madrigal Business Park, Alabang, Muntinlupa City
7 BINONDO BRANCH	Unit 914 Pacific Land and Bldg. Corp 460 Quintin Paredes cor. Sabino Padilla Sts., Binondo Manila
8 CALOOCAN BRANCH	Unit 4-A, HGL Bldg. 554 EDSA cor., Biglang-Awa St., Caloocan City
9 QUEZON CITY BRANCH	Room 403-404, Medalla Bldg. EDSA cor., MacArthur Ave., Cubao, Quezon City
10 MAKATI BRANCH	Unit No. UG-11, Upper Ground, Cityland Tower, Pasong Tamo, 2210 Don Chino Rocess Ave, Mkt
11 ORTIGAS BRANCH	Unit 914 Medical Plaza Ortigas Condo. Bldg. San Miguel, Ortigas Center, Pasig City
12 BGC, TAGUIG BRANCH	SOHO UNIT 424, Avida Cityflex Towers BGC, 17th Avenue, North Bonifacio, Bonifacio Global City
CALBARZON	
13 DASMARIÑAS, CAVITE BRANCH	L3886-B-1-E2 Along Gov. Drive, Sampaloc 1, Dasmarinas, Cavite
14 NUVALI, STA. ROSA BRANCH	3rd Flr. Unit 302 HUMANA Wellness Ctr., Tagaytay Rd., Brgy Don Jose, Sta. Rosa Laguna
Region I (Ilocos Region)	
15 NORTHERN LUZON REG. OFFICE	E.P. Nava Bldg. MacArthur Highway, Calasiao, Pangasinan
Region II (Cagayan Valley)	
16 TUGUEGARAO BRANCH	Josefina Abraham Centre, Bonifacio cor. Aguinaldo Sts., Tuguegarao City
17 CAUAYAN, ISABELA BRANCH	Richelle Bldg. 2, Canciller District 1, Cauayan City, Isabela
Region III (Central Luzon)	
18 CENTRAL LUZON REG. OFFICE	Room 302 3rd Floor, Plaza Garcia Bldg., Dolores MacArthur Highway, San Fernando, Pampanga
19 CLARK PAMPANGA BRANCH	No. 345, 3F Korean Core Bldg. Lot 182 cor Jose Abad Santos Aves, Clark Freeport, Angeles Pampanga
20 EASTERN LUZON REG. OFFICE	G/F, Solid Building, Bernardo District, Maharlika Hiway, Cabanatuan City
21 ANGELES BRANCH - Annex	Rm F, 2/F, Parzon Square Bldg 625 Sto. Rosario St. Brgy. Sto Domingo Angeles City
22 GUIGUINTO, BULACAN BRANCH	Unit 3 D&A Bldg, 727 MacArthur Highway Tabang, Guiguinto Bulacan (beside LTC Office)
23 BALIUAG, BULACAN BRANCH	2nd Flr. "DEMINENT" DRT Highway, Palaga, Baliuag, Bulacan

		Region IV-A (CALABARZON)
24	SOUTHERN TAGALOG REG. OFFICE	Lot 13 A, Ayala Highway, Brgy. Mataas na Lupa, Lipa City
25	LUCENA BRANCH	Unit I, Garcia Business Centre, Perez, cor., Edaño Streets, Brgy 9 Pantoc, Lucena City
		Region IV - B (MIMAROPA)
26	PALAWAN BRANCH	Room 306, ERC Plaza Commercial Building, National Highway, Brgy San Pedro, Pierto Princesa City
		Region V (Bicol Region)
27	BICOL REGIONAL OFFICE	2/F, V&O Bldg. cor., Quezon Avenue and Lapu-lapu St. Legazpi City
28	NAGA BRANCH	Unit 1, Betty Tan Bldg. (beside Sky City Gas Station) Diversion Road, Triangulo, Niga City
		Region VI (Negros Island Region)
29	NEGROS SUB-REG. OFFICE	Door 6&7 GF, EL Court Bldg. cor., 1st St., Bacolod City
30	PANAY SUB-REG. OFFICE	Brg. San Rafael, Mandurriao, Iloilo City
		Regional VII (Central Visayas)
31	CEBU REGIONAL OFFICE	Unit 601, Club Ultima Tower 2 Osmena Blvd, Cebu City
		Region VIII (Eastern Visayas)
32	TACLOBAN REGIONAL OFFICE	3/F, EYC Bldg., Infront of Knights of Columbus, Zamora St., Tacloban City
		Region IX (Zamboanga Peninsula)
33	PAGADIAN BRANCH	2/F, Prime Arcade Building National Highway, Tiguma, Pagadian City, ZamboangaDel Sur
34	DIPOLOG BRANCH	GF Alymar Bldg., Hiway Sta. Filomena, Dipolog City
35	ZAMBOANGA BRANCH	Unit 202, 2nd Floor,CMG Centre, Veterans Avenue, Zamboanga City
		Region X (Northern Mindanao)
36	CAGAYAN DE ORO REG. OFFICE	G/F Door A&B, Southbank Building Yacapin - Velez St. Cagayan De Oro City
37	VALENCIA, BUKIDNON BRANCH	2/F Tamay Lang Arcade, M. Roxas St.,Brgy. Pob, Valencia City
		Region XI (Davao Region)
38	DAVAO REGIONAL OFFICE	Door 7, JV Peak Building 95 Roxas Avenue, Davao City

Region XII (Soccsksargen)	
39 GENERAL SANTOS REG. OFFICE	GF, Hotel Filipino Bldg. Santiago Blvd., General Santos City
40 KORONADAL SOUTH COTABATO BRANCH	Door 1 Bray & Belle Bldg., Morales Ave., Bo 1 Gen. P. Santos, Koronadal South Cotabato
Region XIII (Caraga Region)	
41 BUTUAN BRANCH	GF, J.M. Mamacos Bldg., 824 J.C. Aquino Avenue, Butuan City
42 OZAMIS BRANCH	2nd Flr. ADM Building, Don Anselmo Bernad Ave., Ozamis City

2021 ANNUAL CORPORATE GOVERNANCE REPORT			
	COMPLIANT / NON-COMPLIANT	ADDITIONAL INFORMATION	EXPLANATION
The Boards Governance Responsibilities			
Principle1: The company should be headed by a competent, working board to foster the long- term success and sustainability of the corporation in a manner consistent with its corporate objectives and the lon - term best interests of its shareholders and other stakeholders.			
Reccomendation 1.1			
1. . Board is composed of directors with collective working knowledge, experience or expertise that is relevant to the company's industry/sector.	COMPLIANT	www.strongholdinsurance.com.ph Board of Directors (2021)	
2. Board has an appropriate mix of competence and expertise.	COMPLIANT	www.strongholdinsurance.com.ph Board of Directors (2021)	
3. . Board is composed of directors with collective working knowledge, experience or expertise that is relevant to the company's industry/sector.	COMPLIANT	www.strongholdinsurance.com.ph Board of Directors' Corporate Governance Manual VIII. CORPORATE GOVERNANCE STRUCTURE 1.3 Board of Directors 1.4 Qualification of Board of Directors	
Reccomendation 1.2			
1. Board is composed of directors with collective working knowledge, experience or expertise that is relevant to the company's industry/sector.	COMPLIANT	www.strongholdinsurance.com.ph Updated list of the Board of Directors and Corporate Officers	
Reccomendation 1.3			
1. . Company provides in its Board Charter or Manual on Corporate Governance a policy on training of directors.	COMPLIANT	www.strongholdinsurance.com.ph Board of Directors' Corporate Governance Manual VIII. CORPORATE GOVERNANCE STRUCTURE 2. Board Committees 2.2. Corporate Governance Committee 2.2.4 2.2.6	
2. Company provides in its Board Charter or Manual on Corporate Governance an orientation program for first time directors	COMPLIANT	www.strongholdinsurance.com.ph VIII. CORPORATE GOVERNANCE STRUCTURE 1. Board of Directors 1.4. Qualifications of the Board of Directors 1.4.8.	

3. Company has relevant annual continuing training for all directors.	COMPLIANT	www.strongholdinsurance.com.ph VIII. CORPORATE GOVERNANCE STRUCTURE 1. Board of Directors 1.4. Qualifications of the Board of Directors 1.4.8.	
Reccommendation 1.4			
1. Board has a policy on board diversity.	COMPLIANT	www.strongholdinsurance.com.ph <ul style="list-style-type: none"> • Board Directors Charter • Board of Directors (2021) 2 Females 6 Males	
Reccommendation 1.5			
1. Board is assisted in its duties by a Corporate Secretary	COMPLIANT	www.strongholdinsurance.com.ph Board of Directors' Corporate Governance Policy Manual 3 Key officers and their responsibilities 3.4 The Corporate Secretary	
2. Corporate Secretary is a separate individual from the Compliance Officer.	COMPLIANT		
3. Corporate Secretary is not a member of the Board of Directors.	NON-COMPLIANT		www.strongholdinsurance.com.ph Board of Directors' Corporate Governance Policy Manual 3.4 The Corporate Secretary 3.4.1. & 3.4.2
4. Corporate Secretary attends training/s on corporate governance.	COMPLIANT	Training Documents / Certificate ICD e-mail on roundtable discussion in INSCOS E-Certification from ICD are still on-process	
Reccommendation 1.6			

1. Board is assisted by a Compliance Officer.	COMPLIANT	Compliance Officer - Jose T. Vallejos, Jr., LLB Graduate www.strongholdinsurance.com.ph Board of Directors' Corporate Governance Policy Manual 3 Key Officers and their responsibilities 3.6 Compliance Office www.strongholdinsurance.com.ph Board of Directors' Corporate Governance Policy Manual 3 Key Officers and their responsibilities 3.6 Compliance Office	
2. Compliance Officer has a rank of Vice President or an equivalent position with adequate stature and authority in the corporation.	COMPLIANT	www.strongholdinsurance.com.ph Board of Directors	
3. Compliance Officer is not a member of the board.	COMPLIANT		
4. Compliance Officer attends training/s on corporate governance annually.	COMPLIANT	Training Documents / Certificate ICD e-mail on roundtable discussion in INSCOS E-Certification from ICD are still on-process	

Principle2: 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.

Reccomendation 2.1

1. Directors act on a fully informed basis, in good faith, with due diligence and care, and in the best interest of the company.	COMPLIANT	www.strongholdinsurance.com.ph Board of Directors' Corporate Governance Policy Manual VIII. Corporate Governance Structure 1. Board of Directors 1.2 Key Responsibilities 1.3 General Responsibilities of the BOD Board Resolutions / Minutes of meeting	
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Reccomendation 2.2

1. Board oversees and monitors the implementation of the company's business objectives and strategy.	COMPLIANT	<p>www.strongholdinsurance.com.ph Board of Directors' Corporate Governance Policy Manual VIII. Corporate Governance Structure 1.2. Key Responsibilities of the Board of Directors 1.2.1 1.2.2 1.3. General Responsibilities of the Board of Directors 1.3.3</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	COMPLIANT	Frequency of Review of business objectives and strategies	
Reccommendation 2.3			
1. Board is headed by a competent and qualified Chairperson.	COMPLIANT	<p>www.strongholdinsurance.com.ph Board of Directors (2021)</p>	
Reccommendation 2.4			
1. Board ensures and adopts an effective succession planning program for directors, key officers and management.	COMPLIANT	<p>The Board Succession Policy www.strongholdinsurance.com.ph Board of Directors' Corporate Governance Policy Manual VIII. Corporate Governance Structure 1. Board of Directors 1.1 Composition of the Board and Independent Directors 1.1.1 1.3. General Responsibilities of the Board of Directors 1.3.9 Nomination Committe Charter</p>	
2. Board adopts a policy on the retirement for directors and key officers	COMPLIANT		
Reccommendation 2.5			
1. Board formulates and adopts a policy specifying the relationship between remuneration and performance of key officers and board members.	COMPLIANT	<p>www.strongholdinsurance.com.ph Remuneration Committee Charter</p> <p>www.strongholdinsurance.com.ph</p>	

2. Board aligns the remuneration of key officers and board members with long-term interests of the company.	COMPLIANT	Remuneration Committee Charter www.strongholdinsurance.com.ph	
3. Directors do not participate in discussions or deliberations involving his/her own remuneration.	COMPLIANT	Remuneration Committee Charter Section 4 – Committee Procedure (VIII)	
Reccomendation 2.6			
1. Board has a formal and transparent board nomination and election policy.	COMPLIANT	www.strongholdinsurance.com.ph Nomination Committee Charter Section 2. Duties and Responsibilities	
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		
6. Board has a process for identifying the quality of directors that is aligned with the strategic direction of the company.	COMPLIANT		
Reccomendation 2.7			
1. Board has overall responsibility in ensuring that there is a group-wide policy and system governing related party transactions (RPTs) and other unusual or infrequently occurring transactions.	COMPLIANT	www.strongholdinsurance.com.ph - Related Party Transactions Policy Minutes / Board Resolution	
2. RPT policy includes appropriate review and approval of material RPTs, which guarantee fairness and transparency of the transactions.	COMPLIANT		
3. RPT policy encompasses all entities within the group, taking into account their size, structure, risk profile and complexity of operations.	COMPLIANT		
Reccomendation 2.8			
1. Board is primarily responsible for approving the selection of Management led by the Chief Executive Officer (CEO) and the heads of the other control functions (Chief Risk Officer, Chief Compliance Officer and Chief Audit Executive).	COMPLIANT	www.strongholdinsurance.com.ph Board of Directors' Corporate Governance Policy Manual VIII. Corporate Governance Structure 1.3 General Responsibilities of the Board of Directors 1.3.7 1.3.8 1.3.22	

<p>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).</p>	<p>COMPLIANT</p>	<p>www.strongholdinsurance.com.ph Board of Directors' Corporate Governance Policy Manual VIII. Corporate Governance Structure 1.3. General Responsibilities of the Board of Directors 1.3.3 1.3.10 1.3.11 1.3.15</p>	
<p>Reccomendation 2.9</p>			
<p>1. Board establishes an effective performance management framework that ensures that Management, including the Chief Executive Officer performance is at par with the standards set by the Board and Senior Management.</p>	<p>COMPLIANT</p>	<p>www.strongholdinsurance.com.ph Board of Directors Corporate Governance Policy Manual VIII. Corporate Governance Structure 1.3. General Responsibilities of the Board of Directors 1.3.10 1.3.11 1.3.15</p> <p>www.strongholdinsurance.com.ph Board of Directors' Corporate Governance Policy Manual VIII. Corporate Governance Structure 1. Board of Directors 1.3. General Responsibilities of the Board of Directors 1.3.11 1.3.15</p>	
<p>2. Board establishes an effective performance management framework that ensures that personnel's performance is at par with the standards set by the Board and Senior Management.</p>	<p>COMPLIANT</p>	<p>1.3. General Responsibilities of the Board of Directors 1.3.11 1.3.15</p>	
<p>Reccomendation 2.10</p>			
<p>1. Board oversees that an appropriate internal control system is in place.</p>	<p>COMPLIANT</p>	<p>www.strongholdinsurance.com.ph Board of Directors' Corporate Governance Policy Manual</p>	

2. The internal control system includes a mechanism for monitoring and managing potential conflict of interest of the Management, members and shareholders.	COMPLIANT	VIII. Corporate Governance Structure 1. Board of Directors 1.3. General Responsibilities of the Board of Directors 1.3.12 Audit Committee Charter	
3. Board approves the Internal Audit Charter.	COMPLIANT	www.strongholdinsurance.com.ph Audit Committee Charter	
Recommendation 2.11			
1. Board oversees that the company has in place a sound enterprise risk management (ERM) framework to effectively identify, monitor, assess and manage key business risks.	COMPLIANT	www.strongholdinsurance.com.ph Board of Directors' Corporate Governance Policy Manual 1.3. General Responsibilities of the Board of Directors 1.3.12 Board Risk Oversight Committee Charter Audit Committee Charter	
2. The risk management framework guides the Board in identifying units/business lines and enterprise-level risk exposures, as well as the effectiveness of risk management strategies.	COMPLIANT	The Company was able to continue its operations despite the limitations brought about by the Covid – 19 Pandemic.	
Recommendation 2.12			
1. Board has a Board Charter that formalizes and clearly states its roles, responsibilities and accountabilities in carrying out its fiduciary duties.	COMPLIANT	Board of Directors Charter	
2. Board Charter serves as a guide to the directors in the performance of their functions.	COMPLIANT		
3. Board Charter is publicly available and posted on the company's website.	COMPLIANT		
Principle 3: Board committees should be set up to the extent possible to support the effective performance of the Board's functions, particularly with respect to audit, risk management, related party transactions, and other key corporate governance concerns, such as nomination and remuneration. The composition, functions and responsibilities of all committees established should be contained in a publicly available Committee Charter.			
Recommendation 3.1			

1. Board establishes board committees that focus on specific board functions to aid in the optimal performance of its roles and responsibilities.	COMPLIANT	www.strongholdinsurance.com.ph Board of Directors Charter Section 9. Board Committees	
Reccommendation 3.2			
1. Board establishes an Audit Committee to enhance its oversight capability over the company's financial reporting, internal control system, internal and external audit processes, and compliance with applicable laws and regulations.	COMPLIANT	www.strongholdinsurance.com.ph Audit Committee Charter	
2. Audit Committee is composed of at least three appropriately qualified non-executive directors, the majority of whom, including the Chairman is independent.	COMPLIANT	www.strongholdinsurance.com.ph List of Committees Audit Committee	
3. All the members of the committee have relevant background, knowledge, skills, and/or experience in the areas of accounting, auditing and finance.	COMPLIANT	www.strongholdinsurance.com.ph List of Committees Audit Committee Board of Directors (2021)	
4. The Chairman of the Audit Committee is not the Chairman of the Board or of any other committee.	COMPLIANT	www.strongholdinsurance.com.ph List of Committees	
Reccommendation 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	Board of Directors' Corporate Governance Policy Manual	Corporate Governance Committee was replaced by the following: -Nomination Committee Charter -Remuneration Committee Charter
2. Corporate Governance Committee is composed of at least three members, majority of whom should be independent directors.	COMPLIANT	List of Committees	Corporate Governance Committee was replaced by the following: -Nomination Committee Charter -Remuneration Committee Charter
3. Chairman of the Corporate Governance Committee is an independent director.	NON-COMPLIANT		Please see 2021 Board of Directors
Reccommendation 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	www.strongholdinsurance.com.ph Board Risk Oversight Committee Charter	
2. BROC is composed of at least three members, the majority of whom should be independent directors, including the Chairman.	COMPLIANT	www.strongholdinsurance.com.ph Board Risk Oversight Charter Section 3. Committee composition	
3. The Chairman of the BROC is not the Chairman of the Board or of any other committee.	COMPLIANT	www.strongholdinsurance.com.ph	
4. At least one member of the BROC has relevant thorough knowledge and experience on risk and risk management.	COMPLIANT	www.strongholdinsurance.com.ph	
Recommendation 3.5			
1. The Board establishes a Related Party Transactions (RPT) Committee, which is tasked with reviewing all material related party transactions of the company.	COMPLIANT	www.strongholdinsurance.com.ph List of Committees Related Party Transaction Committee	
2. RPT Committee is composed of at least three non-executive directors, majority of whom should be independent, including the Chairman.	COMPLIANT	www.strongholdinsurance.com.ph List of Committees Related Party Transaction Committee Members	
Recommendation 3.6			
1. All established committees have a Committee Charters stating in plain terms their respective purposes, memberships, structures,	COMPLIANT	www.strongholdinsurance.com.ph Board of Directors' Corporate Governance Manual Committees	
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		www.strongholdinsurance.com.ph
Principle 4: To show full commitment to the company, the directors should devote the time and attention necessary to properly and effectively perform their duties and responsibilities, including sufficient time to be familiar with the corporation's business.			
Recommendation 4.1			

1. The Directors attends and actively participates in all meetings of the Board, Committees and shareholders in person or through tele- /video conferencing conducted in accordance with the rules and regulations of the Commission.	COMPLIANT	www.strongholdinsurance.com.ph Board of Directors Charter Section 4. Board Meetings and Quorum of the Meetings Minutes of the Board Meeting	
2. The directors review meeting materials for all Board and Committee meetings.	COMPLIANT	www.strongholdinsurance.com.ph Minutes of the Board Meeting	
3. The directors asks the necessary questions or seek clarifications and explanations during the Board and Committee meetings.	COMPLIANT	www.strongholdinsurance.com.ph Minutes of the Board Meeting	
Recommendation 4.2			
1. Non-executive directors concurrently serve as directors to a maximum of five Insurance Commission Regulated Entities (ICREs) and publicly-listed companies to ensure that they have sufficient time to fully prepare for meetings, challenge Management's proposals/views, and oversee the long-term strategy of the company.	COMPLIANT	10.10.10. Stronghold Board of Directors Corporate Governance Policy Manual VIII. Corporate Governance Structure 1.Board of Directors 1.4 1.4.6	
Recommendation 4.3			
1. The directors notify the company's board where he/she is an incumbent director before accepting a directorship in another company.	COMPLIANT	Minutes of Meeting	
Principle 5: The board should endeavor to exercise an objective and independent judgment on all corporate affairs.			
Recommendation 5.1			
1. The Board is composed of at least twenty percent (20%) independent directors.	COMPLIANT	www.strongholdinsurance.com.ph Board of Directors Board of Directors' Corporate Governance Policy Manual VIII. Corporate Governance Structure 1.1. Composition of the Board of and Independent Directors	
Recommendation 5.2			

<p>1. The independent directors possess all the necessary qualifications and none of the disqualifications to hold the position.</p>	<p>COMPLIANT</p>	<p>www.strongholdinsurance.com.ph Board of Directors Corporate Governance Manual 1. Board of Directors 1.6. Qualifications of an Independent Director 1.7. Disqualification of an Independent Director Qualification Standards for Directors</p>	
<p>Recommendation 5.3</p>			
<p>1. The independent directors serve for a maximum cumulative term of nine years.</p> <p>As far as Insurance Companies are concerned, the foregoing term limit shall be reckoned from 02 January 2015 while the reckoning date for the Pre-Need Companies and Health Maintenance Organizations shall be from 21 September 2016.</p> <p>For other covered entities, all previous terms served by existing Independent Directors prior to the effectivity of this Circular shall not be included in the application of the term limit prescribed in this item.</p>	<p>COMPLIANT</p>	<p>www.strongholdinsurance.com.ph Board of Directors Corporate Governance Policy Manual VIII. Corporate Governance Structure 1.Board of Directors 1.8. Term Limits of Independent Directors 1.8.1 1.8.2</p>	
<p>2. The company bars an independent director from serving in such capacity after the term limit of nine years.</p>	<p>COMPLIANT</p>	<p>www.strongholdinsurance.com.ph Board of Directors Corporate Governance Policy Manual VIII. Corporate Governance Structure 1.Board of Directors 1.8.Term Limits of Independent Directors 1.8.1</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 seek shareholders' approval during the annual shareholders' meeting.</p>	<p>NON-COMPLIANT</p>		<p>No instance the company retained and independent director in the same capacity after nine years.</p>
<p>Recommendation 5.4</p>			

1. The positions of Chairman of the Board and Chief Executive Officer are held by separate individuals.	COMPLIANT	www.strongholdinsurance.com.ph Chairman of the Board – David C. Mercado President & General Manager – Romulo I. Delos Reyes Jr.	
2. The Chairman of the Board and Chief Executive Officer have clearly defined responsibilities.	COMPLIANT	www.strongholdinsurance.com.ph Board of Directors' Corporate Governance Policy Manual VIII. Corporate Governance Structure 1.Board of Directors 1.10.Specific Duties and Responsibilities of the Chairman of the Board 3.Key Officers and their Responsibilities 3.1 The President and General Manager Board of Directors Charter	
Recommendation 5.5			
1. If the Chairman of the Board is not an independent director or where the roles of Chairman and CEO are being held by one person, the Board should designate a lead director among the independent directors.	NON-COMPLIANT	Independent list of Board of Directors and Officers	The Chairman of the Board is not an Independent Director
Recommendation 5.6			
1. Directors with material interest in a transaction affecting the corporation should abstain from taking part in the deliberations for the same.	COMPLIANT	Board of Directors' Corporate Governance Policy Manual Related Party Transactions Policy	No Directors had any material interest in the transactions of the company
Recommendation 5.7			
1. The non-executive directors (NEDs) have separate periodic meetings with the external auditor and heads of the internal audit, compliance and risk functions, without any executive directors present to ensure that proper checks and balances are in place within the corporation.	COMPLIANT	Internal Audit Charter	With atleast one meeting.
2. The meetings are chaired by the lead independent director.	COMPLIANT		
Principle 6: The best measure of the Board's effectiveness is through an assessment process. The Board should regularly carry out evaluations to appraise its performance as a body, and assess whether it possesses the right mix of backgrounds and competencies.			
Recommendation 6.1			
1. The Board conducts an annual assessment of its performance as a whole.	COMPLIANT	Section 12. Board of Directors Charter	

2. The performance of the Chairman is assessed annually by the Board.	COMPLIANT		
3. The performance of the individual member of the Board is assessed annually by the Board.	COMPLIANT	Performance Assessment of Directors and Key Officers	
4. The performance of each committee is assessed annually by the Board.	COMPLIANT		
5. Every three years, the assessments are supported by an external facilitator.	COMPLIANT		
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	www.strongholdinsurance.com.ph Board of Directors Charter Section 12. Annual Performance Evaluation of the Board and Key Officer	
2. The system allows for a feedback mechanism from the shareholders.	COMPLIANT		
Principle 7: Members of the Board are duty-bound to apply high ethical standards, taking into account the interests of all stakeholders.			
Recommendation 7.1			
1. Board adopts a Code of Business Conduct and Ethics, which provide standards for professional and ethical behavior, as well as articulate acceptable and unacceptable conduct and practices in internal and external dealings of the company.	COMPLIANT	Board of Directors' Corporate Governance Policy Manual	
2. The Code is properly disseminated to the Board, senior management and employees.	COMPLIANT	Board of Directors' Corporate Governance Policy Manual	
3. The Code is disclosed and made available to the public through the company website.	COMPLIANT	www.strongholdinsurance.com.ph	
Recommendation 7.2			
1. Board ensures the proper and efficient implementation and monitoring of compliance with the Code of Business Conduct and Ethics.	COMPLIANT	Employee Handbook of Conduct • Company Rules & Regulations and Disciplinary Actions • Company rule of Conduct P39	
2. Board ensures the proper and efficient implementation and monitoring of compliance with company internal policies.	COMPLIANT	• The Disciplinary Action Process PP42-45 • Offences & Sanctions/ Disciplinary Actions P42 All Employees as defined in Employee Handbook Manual	
DISCLOSURE AND TRANSPARENCY			
Principle 8: The company should establish corporate disclosure policies and procedures that are practical and in accordance with best practices and regulatory expectations.			
Recommendation 8.1			

1. Board establishes corporate disclosure policies and procedures to ensure a comprehensive, accurate, reliable and timely report to shareholders and other stakeholders that gives a fair and complete picture of a company's financial condition, results and business operations.	COMPLIANT	Board of Directors' Corporate Governance Policy Manual Minutes of Annual General Membership Meeting	
Recommendation 8.3			
1. Board fully discloses all relevant and material information on individual board members to evaluate their experience and qualifications, and assess any potential conflicts of interest that might affect their judgment.	COMPLIANT	Company Website • Board of Directors • General Information Sheet (GIS) submitted to SEC	
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	COMPLIANT	www.strongholdinsurance.com.ph • Board of Directors • General Information Sheet (GIS) submitted to SEC	
Recommendation 8.4			
1. Company provides a clear disclosure of its policies and procedure for setting Board remuneration, including the level and mix of the same in the Annual Corporate Governance Report consistent with ASEAN Corporate Governance Scorecard (ACGS) and the Revised Corporation Code.	COMPLIANT	www.strongholdinsurance.com.ph Board of Directors Charter Section 8. Compensation of Board Members Remuneration Charter	
2. Company provides a clear disclosure of its policies and procedure for setting Executive remuneration, including the level and mix of the same in the Annual Corporate Governance Report consistent with ASEAN Corporate Governance Scorecard (ACGS) and the Revised Corporation Code.	COMPLIANT	www.strongholdinsurance.com.ph Remuneration Committee Charter	
3. Company discloses the remuneration on an individual basis, including termination and retirement provisions.	NON-COMPLIANT		Confidential Officers and Employee including retirement are not subject to disclosure because the Company is a private entity.
Recommendation 8.5			
1. Company discloses its policies governing Related Party Transactions (RPTs) and other unusual or infrequently occurring transactions	COMPLIANT	www.strongholdinsurance.com.ph Related Party Transactions Policy	

2. Company discloses material or significant RPTs in its Annual Company Report or Annual Corporate Governance Report, reviewed and approved by the Board, and submitted for confirmation by majority vote of the stockholders in the annual stockholders' meeting during the year.	COMPLIANT	Minutes of Meeting of the Board for 2021	
Recommendation 8.7			
1. Company's corporate governance policies	COMPLIANT	www.strongholdinsurance.com.ph	
2. Company's MCG is posted on its company website.	COMPLIANT		
Principle 9: The company should establish standards for the appropriate selection of an external auditor, and exercise effective oversight of the same to strengthen the external auditor's independence and enhance audit quality.			
Recommendation 9.1			
1. Audit Committee has a robust process for approving and recommending the appointment, reappointment, removal, and fees of the external auditors.	COMPLIANT	Audit Committee Charter	
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	Audit Committee Charter	
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.	NON-COMPLIANT	No such instance that the Company changed or removed the external audit	No such instance that the Company changed or removed the external audit
Recommendation 9.2			
1. Audit Committee Charter includes the Audit Committee's responsibility on: 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.	COMPLIANT	www.strongholdinsurance.com.ph Audit Committee Charter Section 2 Duties and Responsibilities	

2. Audit Committee Charter contains the Committee's responsibility on reviewing and monitoring the external auditor's suitability and effectiveness on an annual basis.	COMPLIANT	www.strongholdinsurance.com.ph Audit Committee Charter Section 2 Duties and Responsibilities F.	
Recommendation 9.3			
1. Company disclose the nature of non-audit services performed by its external auditor in the Annual Report to deal with the potential conflict of interest.	COMPLIANT	No non-audit services are performed by the External Auditor	
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.	COMPLIANT	No non-audit services are performed by the External Auditor	
Principle 10: The company should ensure that the material and reportable non-financial and sustainability issues are disclosed.			
Recommendation 10.1			
1. Board has a clear and focused policy on the disclosure of non-financial information, emphasis on the management of economic, environmental, social and governance (EESG) issues of its business which underpin sustainability	COMPLIANT	Board of Directors' Corporate Governance Policy Manual Sustainability	
2. Company adopts a globally recognized standard/framework in reporting sustainability and non-financial issues.	COMPLIANT	Company copy sustainability	
Principle 11: The company should maintain a comprehensive and cost-efficient communication channel for disseminating relevant information. This channel is crucial for informed decision-making by investors, stakeholders and other interested users.			
Recommendation 11.1			
1. The company should have a website to ensure a comprehensive, cost efficient, transparent, and timely manner of disseminating relevant information to the public	COMPLIANT	www.strongholdinsurance.com.ph / CSR	
INTERNAL CONTROL SYSTEM AND RISK MANAGEMENT FRAMEWORK			
Principle 12: To ensure the integrity, transparency and proper governance in the conduct of its affairs, the company should have a strong and effective internal control system and enterprise risk management framework.			
Recommendation 12.1			
1. Company has an adequate and effective internal control system in the conduct of its business.	COMPLIANT	Public Advisory Re: Covid 19 www.strongholdinsurance.com.ph	

2. Company has an adequate and effective enterprise risk management framework in the conduct of its business.	COMPLIANT	www.strongholdinsurance.com.ph Corporate Governance Board of Risk Oversight Committee Charter Section 7 – Amendment, Alteration or Modification	
Recommendation 12.2			
1. Company has in place an independent internal audit function that provides an independent and objective assurance, and consulting services designed to add value and improve the company's operations	COMPLIANT	Audit Committee Charter Internal Audit is in-house	
Recommendation 12.3			
1. The company has a qualified Chief Audit Executive (CAE) appointed by the Board.	COMPLIANT	Internal Audit Charter	
2. CAE oversees and is responsible for the internal audit activity of the organization including that portion that is outsourced to a third party service provider.	COMPLIANT	List of Company Corporate officers	
1. In case of a fully outsourced internal audit activity, a qualified independent executive or senior management personnel is assigned the responsibility for managing the fully outsourced internal audit activity.	COMPLIANT	Internal Audit activities are not outsourced	
Recommendation 12.4			
1. The company has a separate risk management function to identify, assess and monitor key risk exposures.	COMPLIANT	www.strongholdinsurance.com.ph Board Risk Oversight Committee Charter	
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	www.strongholdinsurance.com.ph Board Risk Oversight Committee Charter	For appointment of designated CRO.
2. CRO has adequate authority, stature, resources and support to fulfill his/her responsibilities	NON-COMPLIANT		
CULTIVATING A SYNERGIC RELATIONSHIP WITH SHAREHOLDERS			

Principle13: The Company should treat all shareholders fairly and equitably, and also recognize, protect and facilitate the exercise of their rights.			
Recommendation 13.1			
1. Board ensures that basic shareholder rights are disclosed in the Manual on Corporate Governance.	COMPLIANT	Company Website Board of Directors Corporate Governance Policy	
2. Board ensures that basic shareholders rights are disclosed on the company's website	COMPLIANT	Manual IX. Rights and Protection of Stockholders	
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	Notice of Annual Stockholder's Meeting	
Recommendation 13.3			
1. Board encourages active shareholder participation by making the result of the votes taken during the most recent Annual or Special Shareholders' Meeting publicly available the next working day.	COMPLIANT	Minutes of AGM	
2. Minutes of the Annual and Special Shareholders' Meetings are available on the company website within five business days from the end of the meeting.	COMPLIANT	Minutes of AGM	
Recommendation 13.4			
1. Board has an alternative dispute mechanism to resolve intra-corporate disputes in an amicable and effective manner	COMPLIANT	HRD/ LEGAL DEPARTMENT	
2. The alternative dispute mechanism is included in the company's Manual on Corporate Governance.	COMPLIANT	Board of Director's Corporate Governance Policy Manual Annual Audit Meeting	
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	COMPLIANT	Company Website Board of Directors' Corporate Governance Policy Manual VII. Definition of Terms and Stake holders VIII. Stockholders Corporate Governance Structure 1.Board of Director 1.3. General Responsibilities of the Board of Directors 1.3.20	

Recommendation 14.2			
1. Board establishes clear policies and programs to provide a mechanism on the fair treatment and protection of stakeholders.	COMPLIANT	Company Website Board of Directors' Corporate Governance Policy Manual X. Public Accountability XI. Reports and Disclosure	
Recommendation 14.3			
1. Board adopts a transparent framework and process that allow stakeholders to communicate with the company and to obtain redress for the violation of their rights.	COMPLIANT	Company Website Whistle Blowing Policy	
Principle 15: A mechanism for employee participation should be developed to create a symbiotic environment, realize the company's goals and participate in its corporate governance processes.			
Recommendation 15.1			
1. Board establishes policies, programs and procedures that encourage employees to actively participate in the realization of the company's goals and in its governance.	COMPLIANT	Board of Directors' Corporate Governance Policy Manual	
Recommendation 15.2			
1. Board sets the tone and makes a stand against corrupt practices by adopting an anti-corruption policy and program in its Code of Conduct.	COMPLIANT	Stronghold Insurance Company, Inc. Employee Handbook of Conduct Page 9 – Corruption Company Website Anti-Bribery and Corruption Policy	
2. Board disseminates the policy and program to employees across the organization through trainings to embed them in the company's culture.	COMPLIANT	1. Each employee is given a copy of the Employee Handbook of Conduct to familiarize themselves with its content. 2. Orientation being conducted for new employees	
Recommendation 15.3			
1. Board establishes a suitable framework for whistleblowing that allows employees to freely communicate their concerns about illegal or unethical practices, without fear of retaliation	COMPLIANT	Board of Directors' Corporate Governance Policy	

2. Board establishes a suitable framework for whistleblowing that allows employees to have direct access to an independent member of the Board or a unit created to handle whistleblowing concerns.	COMPLIANT	Manual	
3. Board supervises and ensures the enforcement of the whistleblowing framework	COMPLIANT	Board of Directors Corporate Governance Policy Manual	
Principle 16: The company should be socially responsible in all its dealings with the communities where it operates. It should ensure that its interactions serve its environment and stakeholders in a positive and progressive manner that is fully supportive of its comprehensive and balanced development.			
Recommendation 16.1			
1. Company recognizes and places importance on the interdependence between business and society, and promotes a mutually beneficial relationship that allows the company to grow its business, while contributing to the advancement of the society where it operates.	COMPLIANT	www.strongholdinsurance.com.ph Board of Directors Corporate Governance Policy Manual VIII. Corporate Governance Structure 1. Board of Directors 1.3. General Responsibilities 1.3.20 Corporate Social Responsibility	