

## BOARD AND GOVERNANCE

The Board of Directors and Management, employees and shareholders of BPI MS Insurance Corporation (BPI MS) believe that sound and effective corporate governance is the cornerstone of the Company's strength and long-term sustainability. It subscribes to a philosophy of adhering to honesty, integrity, and professionalism in the conduct of its business, exercising prudence in arriving at decisions, enforcing internal discipline and a system of internal control in its operating processes, and providing transparency to its various stakeholders regarding basic management policies and practices, major business strategies and decisions, and its operating results.

We work closely with all our regulators, the Insurance Commission (IC), Securities and Exchange Commission (SEC), the Anti-Money Laundering Council (AMLC) and the National Privacy Commission (NPC), to ensure adherence and consistency to its laws and regulations.

The Board of Directors and Management are hereby in full compliance to the principles and practices contained in the Insurance Commission's (IC) Corporate Governance Principles and Leading Practices (IC Circular Letter No. 31-2005 and all supplementary circulars issued by IC), the Revised Code of Corporate Governance for Insurance Commission Regulated Companies (IC Circular Letter No. 71-2020) and BPI MS Corporate Governance Manual and acknowledge that the same will guide them in pursuing their corporate goals. They shall also undertake every effort necessary to create the necessary awareness of these principles and practices within the organization in order to ensure proper internalization by every member of the organization. Our Board is committed to establishing and maintaining the highest standards of corporate governance.

The Manual of Corporate Governance (updated in March 2021) supplements and compliments the BPI MS Articles of Incorporation and By-Laws by setting forth principles of good and transparent governance.

- Articles of Incorporation
- Amended By-Laws
- Manual of Corporate Governance
- Board Matters
- Board Committees
- Employee Code of Conduct
- Code of Business Conduct and Ethics
- Whistleblowing Policy
- Insider Trading Policy
- Related Party Transaction Policy
- Anti-Bribery Measure
- Supplier's Selection and Criteria
- Dishonest and Unlawful Acts
- Risk Management Policy

## **BOARD MATTERS**

The Board of Directors (the Board) bears the primary responsibility for creating and enhancing the long-term shareholder value of BPI MS and ensuring that this objective is achieved in all its business activities. It must ensure BPI MS ability to satisfy the needs of its customers, sustain its leadership and competitiveness, and uphold its reputation in order to maintain BPI MS long-term success and viability as a business entity. Its mandate consists of setting the strategic business directions of BPI MS, appointing its senior executive officers, confirming its organizational structure, approving all major strategies and policies, overseeing all major risk-taking activities, monitoring the financial results, measuring and rewarding the performance of management, and generating a reasonable investment return to shareholders. It shall also provide an independent check on management.

- Composition, Qualification and Independence
- Nomination and Election
- Governance, Meetings, Quorum and Attendance
- Induction and Continuing Education
- Performance Evaluation
- Remuneration

## **COMPOSITION, QUALIFICATION AND INDEPENDENCE**

### **I. Composition**

Our 2020 Board consist of ten (10) members who were elected by the BPI MS stockholders entitled to vote at the annual meeting. They hold office for one (1) year or until their successors are elected and qualified in accordance with the By-Laws of the Corporation.

As a Corporation supervised by Insurance Commission (IC), BPI MS shall conform to the legal requirement to have at least two (2) independent directors. By end of 2020, the Company had three (3) independent directors in its Board. The independent directors are identified in the 2020 Annual Report.

### **II. Qualification of Directors**

A director of BPI MS shall have the following qualifications:

1. Ownership of at least one (1) share of the capital stock of BPI MS;
2. At least twenty-five (25) years of age;
3. Possesses necessary skills, competence and experience in terms of management capabilities preferably in the field of insurance or insurance-related disciplines;
4. Possesses integrity, probity and shall be diligent and assiduous in the performance of his functions;
5. Adequate physical health and mental stamina to withstand the rigors of his responsibilities;
6. No potential conflict of time and attention due to competing officership, directorship, membership positions in other corporations;
7. Attendance of an accredited corporate governance seminar, as required by the IC;
8. No disqualifications as provided for in the Corporation Code and IC Circulars.

### **III. Disqualification of Directors**

#### **A. Permanent Disqualification**

The following shall be deemed unfit and disqualified from serving as a Director:

1. Persons who have been convicted by final judgment of the court for offenses involving dishonesty or breach of trust such as estafa, embezzlement, extortion, forgery, malversation, swindling and theft;
2. Persons who have been convicted by final judgment of the court for violation of insurance laws;
3. Persons with derogatory records with the NBI, courts, police, Interpol and insurance authorities of other countries (for foreign directors) involving violation of any law, rule or regulation of the government or any of its instrumentalities adversely affecting the integrity and/or ability to discharge the duties of an insurance director. This disqualification applies until they have cleared themselves of involvement in the alleged irregularity;

4. Persons who are delinquent in the payment of their obligations as defined hereunder:
  - a. Delinquency in the payment of obligations means that obligations of a person with the insurance company or its related companies where he/she is a director or officer; or at least two obligations with other insurance companies, under different credit lines or loan contracts;
  - b. Obligations shall include all borrowings from an insurance company, or its related companies obtained by:
    - b.1 A director or officer for his own account or as the representative or agent of others or where he/she acts as a guarantor, endorser, or surety for loans from such institutions;
    - b.2 The spouse or child under the parental authority of the director or officer;
    - b.3 Any person whose borrowings or loan proceeds were credited to the amount of, or used for the benefit of a director or officer;
    - b.4 A partnership of which a director or officer, or his/her spouse is the managing partner or a general partner owning a controlling interest in the partnership; and
    - b.5 A corporation, association or firm wholly-owned or majority of the capital is contributed by any or a group of persons mentioned in the foregoing items 1, 2, and 4.

#### B. Temporary Disqualification

The following are grounds for temporary disqualification of incumbent directors:

1. Persons who refuse to fully disclose the extent of their business interests when required pursuant to a provision of law or of a circular, memorandum or rule or regulation of the Insurance Commission. This disqualification shall be in effect as long as the refusal persists;
2. Directors who have been absent or who have not participated for whatever reasons in more than fifty percent (50%) of all meetings, both regular and special of the Board of Directors during their incumbency, or any twelve (12) month period during said incumbency. This disqualification applies for purposes of the succeeding elections;
3. Persons convicted for offenses involving dishonesty, breach of contract or violation of insurance laws but whose conviction has not yet become final and executory;
4. Directors and officers of closed insurance companies and insurance intermediaries pending clearance from the Insurance Commission;
5. Directors disqualified for failure to observe/discharge their duties and responsibilities prescribed under existing regulations. This disqualification applies until the lapse of the specific period of disqualification by the Insurance Commission;
6. Directors who failed to attend the special seminar on corporate governance. This disqualification applies until the director concerned had attended such seminar;
7. Persons dismissed/terminated from employment for cause. This disqualification shall be in effect until they have cleared themselves of involvement in the alleged irregularity;
8. Those under preventive suspension;
9. The Board may establish a fixed retirement age policy for directors.

#### IV. Independent Directors

A. Independent Directors shall hold no interests or relationships with BPI MS that may hinder their independence from BPI MS or Management which would interfere with the exercise of independent judgement in carrying out the responsibilities of a director. An independent director shall submit to the Corporate Secretary a letter of confirmation stating that he holds no interests affiliated with BPI MS, nor is he in management or a controlling shareholder at the time of his election or appointment and/or re-election as a director. Moreover, for purposes of compliance with the legal requirement on independent directors-

1. Officers, executives and employees of BPI MS may be elected as directors but cannot and shall not be characterized as independent directors;
2. If a director elected or appointed as an Independent Director subsequently becomes an officer or employee of BPI MS, BPI MS shall forthwith cease to consider him as an independent director;
3. If the beneficial security ownership of an Independent Director in BPI MS or in its related companies or any of its substantial stockholders shall exceed the two percent (2%) limit, BPI MS shall forthwith cease to consider him as an independent director. The disqualification shall be lifted if the limit is later complied with.
4. If the director is related to any director, officer or substantial shareholder of BPI MS or any of its related companies or any of its substantial shareholders. For this purpose, relatives include spouse, parent, child, brother, sister and the spouse of such child, brother or sister.
5. If the director is acting as a nominee or representative of any director or substantial shareholder of BPI MS and/or any of its related companies and/or any of its substantial shareholders pursuant to a Deed of Trust or under any contract or arrangement;
6. If the director has been employed in any executive capacity by BPI MS, any of its related companies and/or by any of its substantial shareholders within the last five (5) years;
7. If the director is retained, either personally or through his firm or any similar entity, as professional adviser by BPI MS, any of its related companies and/or any of its substantial shareholders, within the last five (5) years; or
8. If the director engaged and about to engage in any transaction with BPI MS and/or with any of its related companies and/or any of its substantial shareholders whether by himself and/or with other persons and/or through a firm of which that director is a partner and/or a company of which he is director or substantial shareholder, other than transactions which are conducted at arm's length and are immaterial
9. A regular director who resigns or whose term ends on the day of the election shall only qualify for nomination and election as an Independent Director after a two (2) year "cooling off period";
10. Persons appointed as Chairman "Emeritus", "Ex-Officio" Directors/ Officers or Members of any Executive/Advisory Board, or otherwise appointed in a capacity to assist the Board in the performance of its duties shall be subject to a one (1) year "cooling-off period" prior to his qualification as an Independent Director.

## **B. Number of Independent Directors**

BPI MS shall have at least two (2) independent directors or twenty percent (20%) of the members of the board, whichever is higher.

## **C. Qualifications and Disqualifications of Independent Director**

### **1. An independent director shall have the following qualifications:**

- a. An independent director shall be at least a college graduate or shall have been engaged or exposed to the business for at least five (5) years;
- b. He or she shall possess integrity, probity, and independence;
- c. An independent director shall be one who is or was not a regular director, officer or employee of the corporation, its subsidiaries or affiliates or related interests for at least three (3) years immediately preceding his term or incumbency;
- d. He or she is not or was not a regular director, officer or employee of the corporation's substantial stockholders and their related companies during the past three (3) years counted from the date of his/her election/appointment;
- e. He or she is not related within the fourth degree of consanguinity or affinity, legitimate or common-law of any director, officer or stockholder holding shares of stock sufficient to elect one (1) seat in the board of the company or any of its related companies or of any of its substantial stockholders;
- f. He or she is not an owner of more than two percent (2%) of the outstanding shares or a stockholder with shares of stock sufficient to elect one (1) seat in the board of directors of the company, any of its related companies, or any of its majority shareholder;
- g. He or she is not acting as nominee or representative of any director or substantial shareholder of the company, any of its related companies, or any of its substantial shareholders; and
- h. He or she is not or was not retained as professional adviser, auditor, consultant, agent or counsel of the company, any of its related companies or any of its substantial shareholders, either in his personal capacity or through his/her firm during the past three (3) years counted from the date of his election/appointment.
- i. He or she is not a securities broker-dealer of listed companies and registered issuers of securities. "Securities broker-dealer" refers to any person holding any office of trust and responsibility in a broker-dealer firm, which includes among others, a director, officer, principal stockholder, nominee of the firm to the Exchange, an associated person or salesman, and an authorized clerk of the broker or dealer;
- j. He or she is independent of management and free from any business or other relationships with the institution or any of its major stockholders which could materially interfere with the exercise of his judgment, i.e., has not engaged and does not engage in any transaction with the institution, or any of its related companies or any of its substantial shareholders, whether by himself or with other persons or through a firm of which he is a partner director or a shareholder, other than transactions which are conducted at arm's length and could not materially interfere with or influence the exercise of his judgment;

- k. He or she was not appointed in the company, its subsidiaries, affiliates or related companies as Chairman “Emeritus”, “Ex-Officio”, Regular Directors, Officers or Members of any Advisory Board, or otherwise appointed in a capacity to assist the board of directors, in the performance of its duties and responsibilities during the past three (3) years counted from the date of his/her election/appointment.
- l. He or she is not affiliated with any non-profit organization that receives significant funding from the company or any of its related companies or substantial shareholders; and
- m. He or she is not employed as an executive officer of another company where any of the company’s executives serve as regular directors.

**2. No person enumerated under Disqualification for Directors of the Corporate Governance Manual (Disqualifications for Directors) shall qualify as an independent director. He shall likewise be disqualified during his tenure under the following instances or causes:**

- 1. He becomes an officer or employee of BPI MS where he is such member of the board of directors/trustees or becomes any of the persons enumerated under Disqualification for Directors of the Corporate Governance Manual;
- 2. His beneficial security ownership exceeds two percent (2%) of the outstanding capital stock of BPI MS where he is such a director, and;
- 3. Such other disqualifications which the Manual of Corporate Governance provides.

**3. Term Limits of Independent Director:**

- 1. An Independent Director shall serve for a maximum cumulative term of nine (9) years.
- 2. An Independent Director who served the maximum period shall be perpetually barred from any re-election in the company but may continue therein as a non-independent director.
- 3. However, if the company desires to continue the services of an Independent Director who had already served his/her maximum term limit, said Independent Director, as an exception, may still continue to act as such provided that the company submits to the Insurance Commission a formal written justification and must, in addition thereto, acquire the majority of the shareholders’ approval during the annual meeting.

**V. Board Independence**

BPI MS Board operates with significant independence from its management to ensure an appropriate mix of expertise, diversity and knowledge. In 2020, BPI MS board had 3 independent directors who do not have business or other relationship with BPI MS at the time of election, appointment, or re-election that could, or could reasonably be perceived to, materially interfere with the exercise of their independent judgment in carrying out their responsibilities as director. 5 of the 10-member board are non-executive directors and 2 are executive directors, BPI MS President and the Head of Planning Department. To further strengthen the Board’s independence, the position of the Chairman of the Board is separate from the President.

Each position has distinct and separate duties and responsibilities in accordance with BPI MS Amended By-Laws and its Corporate Governance Manual.

The Chairman of the Board is BPI Unibank President Cezar P. Consing while the President and CEO of BPI MS is Masayuki Takahashi.

Profiles of the BPI MS Board of Directors may be read [here](#).



## **NOMINATION AND ELECTION**

### **Nomination**

In accordance with the provisions of the Company's By-Laws and Corporate Governance Manual, nominees for board directorship go through a nomination and screening process. The directors are elected by the stockholders entitled to one (1) vote per share at the Annual Stockholders' Meeting. They serve for a period of one (1) year until their successors are qualified and elected.

The Nomination Committee establishes the principles for the selection of candidates to the Board of Directors, selects candidates for the election or re-election to the Board of Directors and prepares a proposal for the Board of Director's decision. The Committee shall be guided by the Corporation's mission and vision in the fulfillment of its functions.

The BPI MS Nomination Committee Charter may be read [here](#).

### **Election**

Board members are elected by BPI MS stockholders who are entitled to one vote per share during the annual stockholders' meeting. The nominees receiving the highest number of votes are declared elected and will hold office for one (1) year until their successors are elected and qualified in accordance with the By-Laws at the next annual stockholders' meeting.

## **GOVERNANCE, MEETINGS, QUORUM AND ATTENDANCE**

### **Governance**

The Board of Directors (Board) is our highest governance body which ensures there is a strong and effective governance system in place throughout BPI MS. The Board bears the primary responsibility for creating and enhancing the long-term shareholder value of BPI MS and ensuring that this objective is achieved in all its business activities. It must ensure BPI MS' ability to satisfy the needs of its customers, sustain its leadership and competitiveness, and uphold its reputation in order to maintain BPI MS long-term success and viability as a business entity. Its mandate consists of setting the strategic business directions of BPI MS, appointing its senior executive officers, confirming its organizational structure, approving all major strategies and policies, overseeing all major risk-taking activities, monitoring the financial results, measuring and rewarding the performance of management, and generating a reasonable investment return to shareholders. It shall also provide an independent check on Management.

The Chairman presides over the meetings of the Board. Board and Committee meetings are conducted consistent with the BPI MS amended By-Laws. The Corporate Secretary rules on all disputed questions of procedure. Discussion during the Board meetings are open and independent views are given due course. Board materials are made available to the directors at least five (5) business days prior to the scheduled meeting.

### **Quorum**

The BPI MS amended By-Laws provide that a majority of the members of the Board of Directors shall constitute a quorum at any meeting. The minimum quorum requirement for Board decisions is set at a majority of the Board members or at least 51% of the members of the Board.

### **Meetings**

The Board holds quarterly meetings, and special meetings, when necessary, with the agenda that includes, but is not limited to, updates by the Board Committees, reports on financial, and operational performance by the President and CEO. Board materials are provided to the Board members at least five (5) business days before the board meeting to provide ample time to review the materials.

The Board has separate and independent access to the Corporate Secretary, who oversees the adequate flow of information to the Board prior to meetings and advises directors about their duties. During Board meetings, discussions are open and independent views are given due course.

## Attendance

The participation of the members of the Board in its quarterly meetings in 2020 are shown in the table below and the average attendance in 2020 was at 100%.

TABLE 1  
2020 ATTENDANCE PROFILE OF THE MEMBERS OF THE BOARD OF DIRECTORS  
FOR THE PERIOD JANUARY 1, 2020 TO DECEMBER 31, 2020

NAME	DESIGNATION	Mar 03	Jun 02	Jul 17 Organizational meeting	Jul 17	Sept 17	Dec 03	TOTAL	%AGE
Cezar P. Consing	Chairman	1	1	1	1	1	1	6	100%
Masayuki Takahashi	President/CEO, Director	1	1	1	1	1	1	6	100%
Jesse O. Ang	Independent Director	1	1	1	1	1	1	6	100%
Rodolfo M. Bausa	Independent Director	1	1	1	1	1	1	6	100%
Aurelio R. Montinola, III	Director	1	1	1	1	1	1	6	100%
Xavier P. Loinaz*	Independent Director	1	1	1	1	1		5	100%
Maria Theresa M. Javier	Treasurer/Director	1	1	1	1	1	1	6	100%
Hideyuki Tanaka***	Director	1						1	100%
Hiroaki Matsubara**	Director		1	1	1	1	1	5	100%
Kiyoshi Nakagawa**	Director		1	1	1	1	1	5	100%
Alan J. Wilson	Director	1	1	1	1	1	1	6	100%
Yuji Nakano***	Director	1						1	100%
<b>TOTAL</b>		<b>10</b>	<b>10</b>	<b>10</b>	<b>10</b>	<b>10</b>	<b>9</b>	<b>59</b>	<b>100%</b>

\* Board member until 02 December 2020

\*\* Elected as Board member effective 02 June 2020

\*\*\* Board member until 01 June 2020

Table below shows the participation of the members of the Board in the Annual Stockholders' Meeting (ASM):

TABLE 2  
2020 ASM MEETING ATTENDANCE (JULY 17, 2020)

NAME	DESIGNATION	
Cezar P. Consing	Chairman	100%
Masayuki Takahashi	President/CEO, Director	100%
Jesse O. Ang	Independent Director	100%
Rodolfo M. Bausa	Independent Director	100%
Aurelio R. Montinola, III	Director	100%
Xavier P. Loinaz	Independent Director	100%
Maria Theresa M. Javier	Treasurer/Director	100%
Alan J. Wilson	Director	100%
Hiroaki Matsubara	Director	100%
Kiyoshi Nakagawa	Director	100%
<b>TOTAL</b>		<b>100%</b>

## INDUCTION AND CONTINUING EDUCATION

The Board undertakes to require a newly elected member of the Board to attend, within a reasonable period after his election to the Board, a seminar on corporate governance conducted by a duly recognized private or government institution.

The newly elected members of the Board should familiarize themselves with the BPI MS operations, senior management and business environment. They should also be inducted in terms of their fiduciary duties and responsibilities as well as in respect of the Board’s expectations.

The briefing/orientation for the two (2) newly elected members of the board, Mr. Hiroaki Matsubara was held on February 18, 2021 while for Mr. Kiyoshi Nakagawa, this is yet to be within the first half of the year of 2021.

Appropriate training opportunities for both existing and potential directors may, from time to time, be identified and undertaken.

BPI MS through BPI provides continuing Director Education in relation to current developments, such as FATCA and new BIR Regulations. Other BPI courses that are available to senior management as well, include briefings, seminars and courses on:

- Corporate Governance Training
- Cyber Risk and Cyber Security
- Data Privacy and Protection
- Anti-Money Laundering
- Business Continuity Management
- Conflict of Interest
- Risk Management Overview
- Information Security Awareness
- Data Privacy

Name of Director / Officer	Date of Training	Program	Name of Training Institution
Cezar P. Consing	10 November 2020	The Board Agenda 2020: The Business of Building Back Better (Ayala Integrated Corporate Governance, Risk Management and Sustainability Summit)	Institute of Corporate Directors (thru Zoom Webinar)
	30 September 2020	Anti-Money Laundering (AML) and Counter-Terrorist Financing (CTF) Board of Directors and Senior Management Refresher Training	SyCip Gorres Velayo & Co.
Aurelio R. Montinola III	30 September 2020	Anti-Money Laundering (AML) and Counter-Terrorist Financing (CTF) Board of Directors and Senior Management Refresher Training	SyCip Gorres Velayo & Co.
	25 September 2020	Corporate Governance	Risk, Opportunities, Assessment and

			Management (ROAM), Inc.
Maria Theresa Marcial-Javier	10 November 2020	The Board Agenda 2020: The Business of Building Back Better (Ayala Integrated Corporate Governance, Risk Management and Sustainability Summit)	Institute of Corporate Directors (thru Zoom Webinar)
	30 September 2020	Anti-Money Laundering (AML) and Counter-Terrorist Financing (CTF) Board of Directors and Senior Management Refresher Training	SyCip Gorres Velayo & Co.
Jesse O. Ang	10 November 2020	The Board Agenda 2020: The Business of Building Back Better (Ayala Integrated Corporate Governance, Risk Management and Sustainability Summit)	Institute of Corporate Directors (thru Zoom Webinar)
	30 September 2020	Anti-Money Laundering (AML) and Counter-Terrorist Financing (CTF) Board of Directors and Senior Management Refresher Training	SyCip Gorres Velayo & Co.
Rodolfo M. Bausa	10 November 2020	The Board Agenda 2020: The Business of Building Back Better (Ayala Integrated Corporate Governance, Risk Management and Sustainability Summit)	Institute of Corporate Directors (thru Zoom Webinar)
	30 September 2020	Anti-Money Laundering (AML) and Counter-Terrorist Financing (CTF) Board of Directors and Senior Management Refresher Training	SyCip Gorres Velayo & Co.
Eli M. Remolona, Jr.	2020	Ayala Integrated Corporate Governance, Risk Management and Sustainability Summit	Institute of Corporate Directors
	2020	Anti-Money Laundering (AML) and Counter-Terrorist Financing (CTF)	SyCip Gorres Velayo & Co.
Alan John Wilson	15 December 2020	ECN online session: The World In 2021	Economist
	11 December 2020	The travel industry after covid-19: a perspective from China with Trip.com's CEO Jane Sun webinar (Global Counsel)	Global Counsel
	09 December 2020	Linklaters webinar: Cyber simulation: How crisis prepared are you? (Linklaters)	Linklaters
	08 December 2020	ERM Training for HK BOD via webinar (MSIG)	MSIG
	07 December 2020	KPMG INED Forum via webinar (KPMG)	KPMG
	03 December 2020	Beyond 2020 - Digital Transformation for Singapore via webinar (Dell Technologies)	Dell Technologies
	27 November 2020	ECN SEA: Known knowns and the unknowns: leading through and beyond the pandemic via webinar (Economist)	Economist

24 November 2020	Governance for Outstanding Organisation Directors Programme: Social Trends. via webinar (SID)	SID
19 November 2020	GC Series Webinar: The "E" of ESG   Environmental Risks – A Business Case For Action (Zicolaw)	Zicolaw
19 November 2020	Planning session: ASEAN industries and economies in 2021 webinar (Economist)	Economist
12 November 2020	ECN online session: The death of greed & the rise of radical uncertainty (Economist)	Economist
12 November 2020	FT Live Asia Insurance Digital Summit webinar (Financial Times)	Financial Times
10 November 2020	2020 Ayala Corporation Integrated Corporate Governance, Risk Management and Sustainability Summit webinar (Ayala)	Ayala
04 November 2020	AM Best's Insurance Market Briefing webinar– SIRC (AM Best)	AM Best
03 November 2020	What are companies for? Big Business, Shareholders and Society webinar (Economist)	Economist
03 November 2020	Swissre: SIRC Plenary Sessions Powered by Swiss Re: Digitalisation of Insurance webinar (Swissre)	SwissRe
02 November 2020	Climate Action: The Board's Leadership in Greening the Financial Sector webinar (FIDE FORUM)	FIDE FORUM
22 October 2020	Intangible Assets in a Tangible World Amidst Significant Economic Uncertainties webinar (SID)	SID
20 October 2020	Global online event: Tourism & Business Travel via webinar (Economist)	Economist
16 October 2020	Emerging stronger from COVID-19: Co-creating Opportunities for Our Workforce via webinar (IBF)	IBF
14 October 2020	In conversation with Hillary Clinton via webinar (Economist)	Economist
14 October 2020	Greening the Financial System: ESG and the Regulators in Hong Kong SAR via webinar (Linklaters)	Linklaters
13 October 2020	MSIG HK Board Training – IFRS17 via webinar (PwC)	PwC
09 October 2020	Global Virtual Roundtable 3: Board Challenge and Support- Getting the Balance Right via webinar (SID)	SID

	08 October 2020	Listed Entity Directors (LED) Programme Module 3: Board Performance via webinar (SID)	SID
	01 October 2020	Distinguished Speaker Series: Minister S Iswaran webinar (SICC)	SICC
	01 October 2020	HR Tech Conference via webinar (HRM Asia)	HRM Asia
	01 October 2020	Discussion with Kevin Kallaugher via webinar (Economist)	Economist
	30 September 2020	PwC Ahead of the Game in Insurance CEO Event via webinar (PwC)	PwC
	30 September 2020	Anti-Money Laundering (AML) and Counter-Terrorist Financing (CTF) Board of Directors and Senior Management Refresher Training	SyCip Gorres Velayo & Co.
	29 September 2020	HR Tech Conference via webinar (HRM Asia)	HRM Asia
	28 September 2020	The KPMG INED Forum via webinar (KPMG)	KPMG
	23 September 2020	Korn Ferry Leaders' lessons, stories from the crisis via webinar (Korn Ferry)	Korn Ferry
	22 September 2020	Resilience and recovery: The innovation imperative via webinar (Economist)	Economist
	17 September 2020	SCOR Rendez-vous via webinar (SCOR)	SCOR
	16 September 2020	SID Launch: Singapore Board Diversity Index via webinar (SID)	SID
	15 September 2020	<b>Future of Healthcare series, Financing Healthcare: searching for the solution</b> via webinar (Economist)	Economist
	15 September 2020	The Asian Banker Virtual Roundtable on Security Convergence via webinar (f5)	F5
	11 September 2020	MSIG HA Board & SMT Training - Cybersecurity via webinar (Mandiant Services)	Mandiant Services
	10 September 2020	Executive Loneliness - The Unspoken Workplace Isolation via webinar (SICC)	SICC
	10/09/2020	SEA Regional Strategic Forecast: Your moves – game plans for the post-Covid19 challenge via webinar (Economist)	Economist

03 September 2020	Responding to Cyber Security Incidents: Strategising vs. Firefighting (RSA)	RSA
03 September 2020	BNM-FIDE FORUM Annual Dialogue with the Governor of BNM via webinar (FIDE)	FIDE
02 September 2020	Data Breach Management via webinar (SID)	SID
01 September 2020	Survive to Thrive – Digital dialogue via webinar (PwC)	PwC
25 August 2020	MSIG Msia Board Training via webinar (MSIG Msia) <ul style="list-style-type: none"> <li>Investment Outlook by Affin Hwang Capital.</li> <li>2nd Wave &amp; Vaccines Development &amp; Outlook by ISOS.</li> <li>New Features of BoardPac app by BoardPac Inc</li> </ul>	MSIG
24 August 2020	IFRS 17 for Directors: What you need to know via webinar (Ernst & Young)	Ernst & Young
20 August 2020	Future Threats: Innovate, or die Creative destruction in times of Covid (Economist)	Economist
13 August 2020	Interactive Workshop – Future-Back Thinking: Re-Imagining the Future for Better Business Outcomes via webinar (SICC)	SICC
06 August 2020	The ASEAN Series: Thailand via webinar (SICC)	SICC
05 August 2020	The tale of two cities: Singapore vs Hong Kong – What is your strategy? via webinar (Economist)	Economist
04 August 2020	Banking on Governance, Insuring Sustainability via webinar (FIDE)	FIDE
04 August 2020	Asian Financial Services Congress via webinar (AFSC)	AFSC
27 July 2020	The Future of Financial Hub Cities in Asia via webinar (Economist)	Economist
27 July 2020	Malaysia Board of Director’s Training via webex (MSIG)	MSIG
24 July 2020	Recovery Acceleration with Machine Learning and Artificial Intelligence via webex (IDC)	IDC
23 July 2020	Future Finance Live   CX Transformation for Insurance via webinar (Future Finance Media)	Future Finance Media



	20 July 2020	Listed Entity Director - Stakeholder Engagement via webinar (SID)	SID
	16 July 2020	Technology, Cities, Culture and Real Estate in Asia Pacific via webinar (Economist)	Economist
	16 July 2020	Weathering the Storm. Road to Recovery: Reinforcing Financial Positions to Mitigate Distress via webinar (Wong & Partners)	Wong & Partners
	15 July 2020	The Future isn't Digital via webinar (SICC)	SICC
	09 July 2020	Restoring stability: A deeper dive into health and wellbeing via webinar (WillisTowersWatson)	WillisTowersWatson
	08 July 2020	4th Distinguished Board Leadership Series-Speaker: Sir Howard Davies (Chairman, Royal Bank of Scotland) via webinar (FIDE)	FIDE
	03 July 2020	<b>Critical Eye Global Virtual Round Table #2: The New Normal for Boards via webinar (SID)</b>	SID
	01 July 2020	Paradigm Shift: Director's and Shareholder's Duties and Liabilities in a Crisis via webinar (Wong & Partners)	Wong & Partners
	26 May 2020	Covid 19 Embedding Resilience via webinar (SID)	SID
	21 January 2020	Talk on update on the property market in 2020 (JLL)	JLL
	08 January 2020	Programme: Raising Defences - Section 17A, MACC Act (ICLIF)	ICLIF
Masayuki Takahashi	2020	Core Values Identification Program Training	Wong HR Consultancy Services
	10 November 2020	The Board Agenda 2020: The Business of Building Back Better (Ayala Integrated Corporate Governance, Risk Management and Sustainability Summit)	Institute of Corporate Directors (thru Zoom Webinar)
	30 September 2020	Anti-Money Laundering (AML) and Counter-Terrorist Financing (CTF) Board of Directors and Senior Management Refresher Training	SyCip Gorres Velayo & Co.
	27 November 2018	Legal Risk Seminar	BPIMS
	30 August 2017	Seminar on Anti-Money Laundering and Combating the Financing of Terrorism	SyCip Gorres Velayo & Co.
	30 August 2017	Cyber Security	FireEye Inc. & Bank of the Philippine Islands

	23 August 2017	Corporate Governance Orientation Program	Institute of Corporate Directors
Kiyoshi Nakagawa	10 December 2020	IFRS 17 Training for BPI/MS Directors	MSIG Holdings (Asia)
	10 November 2020	2020 Ayala Corporation Integrated Corporate Governance, Risk Management and Sustainability Summit	Ayala Corporation (Philippines)
	30 September 2020	Anti-Money Laundering (AML) and Counter-Terrorist Financing (CTF) Board of Directors and Senior Management Refresher Training	SyCip Gorres Velayo & Co.
	11 September 2020	Cybersecurity Training	Mandiant Consulting
Hiroaki Matsubara	08-09 December 2020	Corporate Governance Orientation Program	Institute of Corporate Directors
	30 September 2020	Anti-Money Laundering (AML) and Counter-Terrorist Financing (CTF) Board of Directors and Senior Management Refresher Training	SyCip Gorres Velayo & Co.
Angela Pilar B. Maramag	10 November 2020	The Board Agenda 2020: The Business of Building Back Better (Ayala Integrated Corporate Governance, Risk Management and Sustainability Summit)	Institute of Corporate Directors (thru Zoom Webinar)

## PERFORMANCE EVALUATION

The Board of Directors conducts an annual self- assessment exercise through a self-assessment questionnaire given to each director in December 2020. The objectives of the self-assessment are to:

1. Assess how well the board is meeting its responsibilities to all BPI MS stakeholders, and address factors that impact the Board's ability to effectively fulfill its fiduciary duties.
2. Define and gain an insightful and broad-based understanding of the Board's most critical governance success factors.
3. Validate and affirm the Board's appreciation of its roles and responsibilities in the context of the operations of BPI MS.
4. Shape and improve the future operations of the Board and clarify mutual director expectations in a non-threatening, collaborative manner.
5. Ascertain alignment on leadership fundamentals and issues.
6. Build trust, respect, and communication among Board members and senior management and work more effectively as a team.
7. Demonstrate to stakeholders, especially regulators, that accountability, transparency and integrity are organizational values of prime importance to BPI MS.

### KEY ELEMENTS

1. The Board will conduct the self-assessment independent of management.
2. The self-assessment is designed to encourage open and constructive discussion in relation to performance.
3. The confidentiality of each individual performance assessment is to be maintained and responses will not be attributable.
4. Results of the self-assessment will be processed and summarized and communicated to the Board.
5. Proper disclosure of assessment process and overall performance results, as may be required by regulatory authorities, will be made to achieve both board credibility and stakeholders' understanding.
6. The Board will pro-actively act on any recommendations or suggestions that arise out of the evaluation process.

### METHODOLOGY

1. Widely-advocated, standard evaluation method of self-assessment and feedback review (typically referred to as a 360° Report) based on performance standards in four (4) levels: Individual Directors, Committees, CEO and the Board as a body.
2. Each level of self-assessment will also include open questions to provide opportunity for director's in-depth and more detailed comments.

The assessment criteria for the Board is based on the following broad leadership standards in each of the following levels: 1) Board Role; 2) Board Membership; 3) Procedure and Practice; 4) Committee Structure and effectiveness; 5) BOD and Management Relations.

In December 2020, the self-assessment was conducted to assess the 2020 performance of the Board of Directors (as a body), as individual member, assessment of the Board Committees by its respective members as well as the assessment of the President and CEO. The results of these evaluations are presented to the Board to develop recommendations and/or an action plan for the Board, where determined necessary or desirables, or to address issues raised as a result of such assessments, and monitor the progress of the Board in addressing issues identified in the assessment process.

## **REMUNERATION**

BPI MS Personnel and Compensation Committee has the responsibility to review and approve corporate goals and objectives relevant to CEO compensation, the Board of Directors, senior management and key officers to enable BPI MS to attract and keep superior human talent in its fold. The Committee also reviews and approves base salary, incentive compensation for senior management, Board of Directors, and key officers and recommend appropriate remuneration package to the Board for approval.

Board members receive per diems for each Board or Committee meeting attended. Such amounts are set and approved by the Board from year to year.

In 2020, the Board of Directors collectively received a total of Php4,225,000.00 as fees and other compensation for the services rendered by them to BPI MS. The amount is equivalent to less than 1% of the net income of BPI MS after tax.

BPI MS takes effort in paying its Board, officers and employees competitively. As such, it is committed to review the remuneration on a regular basis to attract, retain and appropriately reward its workforce.