

## EMPIRE INSURANCE COMPANY

### POLICY STATEMENTS

1. **Good Corporate Governance and Responsibility.** In the interest of Good Corporate Governance, the Corporation shall abide by all relevant Laws, its own By-Laws, Code of Ethics, Rules and Regulations, and this Corporate Governance Manual. Good Corporate Governance is the responsibility and concern, not only of the Board of Directors and Management, but also of each and every employee of the Corporation.
2. **Protection of Policyholders, Creditors, and Minority Stockholders.**
  - a. The Corporation shall safeguard its own continuity and sustainability through prudent underwriting and investment:
    1. The Corporation shall only retain risks, or portions thereof, whose claims/losses it can service, without impairing its solvency. It shall observe relevant retention laws and internal guidelines, and contract sufficient reinsurance from sound providers.
    2. The Corporation shall exercise prudence in selecting asset classes, counterparties, and corresponding investment limits, primarily for principal protection and only secondarily for growth.
  - b. All parties with legitimate interest in the Corporation shall have accurate, timely and ready access to the Company's key financial and other information, including its Audited Financial Statement and other periodic reports in compliance with law.
  - c. Corporate independence shall be maintained. Controlling or substantial interests shall be disclosed to the Board, which shall ensure compliance with the provisions of Chapter III, Title 20 Holding Companies of the Insurance Code.
  - d. Related-party transactions shall be conducted fairly and at arm's length, i.e., on terms at least comparable to normal commercial terms. Prior Board approval shall be obtained for related-party transactions that are material in nature. Overlapping interests shall be disclosed to the Board and any material transaction involving such interest shall be similarly disclosed. The provisions of Chapter III, Title 20 Holding Companies of the Insurance Code shall apply.
3. **Employee Wellbeing.** The Corporation shall look after the wellbeing of its employees beyond compensation packages. The Corporation shall comply with Health and Safety Regulations and provide a conducive working environment by maintaining and upgrading its facilities and equipment. The Corporations' Training Program shall continually provide well-rounded skill development to all its employees with its in-house trainings and seminars offered by training providers accredited by the Insurance Commission.

4. **Supplier Selection.** Suppliers undergo rigid and thorough accreditation requirements, including a review of their company profiles, SEC/DTI registration papers, business permits, client lists and the Corporation's evaluation of their past performance. Closed bids from at least three accredited suppliers are required for the selection of a supplier. For selected acquisitions so required by the Company, winning suppliers shall submit performance bonds.
5. **Social and Environmental Responsibility.** As a Filipino Corporation, Empire Insurance Company, recognizes its social and environmental responsibility and shall contribute to such causes, as the Board sees fit and within the authorities allowed by its Articles of Incorporation and By-laws.
6. **Ethical Standards.** The Corporation shall adhere to the highest ethical standards, as defined in a separate document, "Code of Ethics."