

**ANNUAL CORPORATE GOVERNANCE REPORT OF  
THE MANUFACTURERS LIFE INSURANCE CO. (PHILS.), INC.**

For the Fiscal Year Ended
<b>2020</b>
Certificate of Authority No.
<b>License No. 2019/79-R</b>
Province, country of other jurisdiction of incorporation or organization
<b>Philippines</b>
Address of principal office
<b>10F NEX Tower, 6786 Ayala Avenue, Makati City, Philippines 1229</b>
Company's telephone number
<b>+63 2 8884 7000</b>
Former name, address, or fiscal year if changed since last report
<b>N/A</b>

Entity: THE MANUFACTURERS LIFE INSURANCE CO. (PHILS.), INC.

ANNUAL CORPORATE GOVERNANCE REPORT			
The Board's Governance Responsibilities			
	Compliant/ Non-Compliant	Additional Information	Explanation
<b>Principle 1:</b> The company should be headed by a competent, working board to foster the long-term success and sustainability of the corporation in a matter consistent with its corporate objectives and the long-term best interest 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.	Compliant	2020 Annual Report, p. 8-11; 22 on Directors (Nomination and Remuneration Committee) Corporate Governance Manual, p. 16-18
2	Board has an appropriate mix of competence and expertise.	Compliant	
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.	Compliant	
<b>Recommendation 1.2.</b>			
1	Board is composed of a majority of non-executive directors.	Compliant	2020 Annual Report, p. 8-11 Six out of seven directors are non-executives
<b>Recommendation 1.3.</b>			
1	Company provides in its Board Charter or Manual on Corporate Governance a policy on training of directors.	Compliant	2020 Annual Report, p. 24 Corporate Governance Manual, p. 19 on Orientation and Trainings Corporate Governance Committee Terms of Reference
2	Company provides in its Board Charter or Manual on Corporate Governance an orientation program for first time directors.	Compliant	
3	Company has relevant annual continuing training for all directors.	Compliant	
<b>Recommendation 1.4.</b>			

1	Board has a policy on board diversity.	Compliant	2020 Annual Report, p. 24 2020 Annual Report, p. 8-11 Board is composed of 5 males and 2 females Corporate Governance Manual, p. 16 (b) on Composition which states: No discrimination shall be made based on gender, age, ethnicity, nationality or background, whether social, cultural, political, or religious.	
<b>Recommendation 1.5.</b>				
1	Board is assisted in its duties by a Corporate Secretary.	Compliant	2020 Annual Report, p. 13, 15, 25 Corporate Governance Manual, p. 15	
2	Corporate Secretary is a separate individual from the Compliance Officer.	Compliant	2020 Annual Report, p. 13, 15	The Corporate Secretary is Atty. Abbiegail D. Sac, while the Chief Legal and Compliance Officer is Atty. Fritzie Tangkia-Fabricante.
3	Corporate Secretary is not a member of the Board of Directors.	Compliant	2020 Annual Report, p. 8-11, 15	
4	Corporate Secretary attends training/s on corporate governance.	Compliant	Assistant Corporate Secretary's Certificate on Corporate Governance Training of Corporate Secretary	
<b>Recommendation 1.6.</b>				
1	Board is assisted by a Compliance Officer.	Compliant	Corporate Governance Manual, p. 14	
2	Compliance Officer has a rank of Vice President or an equivalent position with adequate stature and authority in the corporation.	Compliant	2020 Annual Report, p. 13	
3	Compliance Officer is not a member of the board.	Compliant	2020 Annual Report, p. 8-11, 13	
4	Compliance Officer attends training/s on corporate governance annually.	Compliant	Corporate Secretary's Certificate on Corporate Governance Training of Compliance Officer	

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<b>Principle 2:</b> 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				
<b>Recommendation 2.1</b>				
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	2020 Annual Report, p. 23-24 Corporate Governance Manual, p. 7-9 on Mandate of the Board; p. 10-11 on Standards of Performance This shows the Board Process and Directors' participation in meetings	
<b>Recommendation 2.2</b>				
1	Board oversees the development, review and approval of the company's business objectives and strategy.	Compliant	Corporate Governance Manual, p. 7-9 on Mandate of the Board; Accountabilities of the Chairperson of the Board	
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	2020 Annual Report, p. 23-24 This shows the the schedule and frequency of meetings in 2020	
<b>Recommendation 2.3</b>				
1	Board is headed by a competent and qualified Chairperson.	Compliant	2020 Annual Report, p. 8	
<b>Recommendation 2.4</b>				
1	Board ensures and adopts an effective succession planning program for directors, key officers and management.	Compliant	2020 Annual Report, p. 24 Corporate Governance Manual, p. 20-21 on Director Succession and Selection Criteria	
2	Board adopts a policy on the retirement for directors and key officers.	Compliant	Corporate Governance Manual, p. 20 (III)(d) on Retirement	
<b>Recommendation 2.5</b>				
1	Board formulates and adopts a policy specifying the relationship between remuneration and performance of key officers and board members.	Compliant		

2	Board aligns the remuneration of key officers and board members with long-term interests of the company.	Compliant	2020 Annual Report, p. 22, 24 Corporate Governance Manual, p. 19 (f) on Remuneration	
3	Directors do not participate in discussions or deliberations involving his/her own remuneration.	Compliant	Corporate Secretary's Certificate on Non-Participation of Directors in Deliberations on Their Compensation	
<b>Recommendation 2.6</b>				
1	Board has a formal and transparent board nomination and election policy.	Compliant	2020 Annual Report, p. 22 Corporate Governance Manual, p. 18-19 on Election and Term; p. 20-21 on Director Succession and Selection Criteria Corporate Governance Committee Terms of Reference Corporate Secretary's Certificate on Nominations by Minority Shareholders	
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	Corporate Governance Manual, p. 20-21 on Director Succession and Selection Criteria	
6	Board has a process for identifying the quality of directors that is aligned with the strategic direction of the company.	Compliant		
<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.	Compliant	2020 Annual Report, p. 32 Related Party Transaction Committee Terms of Reference 2020 Audited Financial Statement, p. 71-75	
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		
<b>Recommendation 2.8</b>				
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	2020 Annual Report, p. 22 on the Nomination and Remuneration Committee; p. 12-15 shows the management team appointed by the Board Corporate Governance Manual, p. 7-8 (e)(4), (6) on Mandate of the Board Corporate Governance Committee Terms of Reference	All officers VP level and above are subject to Board approval, after endorsement by the Nomination Committee
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).	Compliant	Corporate Governance Manual, p. 7-8 (e)(4) on Mandate of the Board; p. 9(h)(6) on the Accountabilities of the President and CEO	
<b>Recommendation 2.9</b>				
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.	Compliant	Corporate Governance Manual, p. 7 on Mandate of the Board; p. 8-9 on Accountabilities of the Chairperson; p. 9 on the Accountabilities of the President and CEO	
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.	Compliant		
<b>Recommendation 2.10</b>				
1	Board oversees that an appropriate internal control system is in place.	Compliant	2020 Annual Report, p. 26-27 Corporate Governance Manual, p. 6 on the Audit Committee	
2	The internal control system includes a mechanism for monitoring and managing potential conflict of interest of the Management, members and shareholders.	Compliant	Corporate Governance Manual, p. 23 on Directors' Conflict of Interest 2020 Annual Report, p. 32 on the Related Party Transactions Committee	
3	Board approves the Internal Audit Charter.	Compliant	Audit Committee Terms of Reference	
<b>Recommendation 2.11</b>				

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	Corporate Governance Manual, p. 6 on the Audit Committee	
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	2020 Annual Report, p. 26-27 Corporate Governance Manual, p. 6 on the Audit Committee; p. 7 (e)(2)	
<b>Recommendation 2.12</b>				
1	Board has a Board Charter that formalizes and clearly states its roles, responsibilities and accountabilities in carrying out its fiduciary duties.	Compliant	Corporate Governance Manual, p. 7-9 on Mandate of the Board; p. 10-11 on Standards of Performance	
2	Board Charter serves as a guide to the directors in the performance of their functions.	Compliant	Amended By-laws, Art. IV	
3	Board Charter is publicly available and posted on the company's website.	Compliant	Corporate Governance Manual	

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<b>Principle 3:</b> 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.			
<b>Recommendation 3.1</b>			
1	Board establishes board committees that focus on specific board functions to aid in the optimal performance of its roles and responsibilities.	Compliant	2020 Annual Report, p. 21-23 Corporate Governance Manual, p. 5 (c) on Delegation
<b>Recommendation 3.2</b>			
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	Corporate Governance Manual, p. 6-7 Audit Committee Terms of Reference
2	Audit Committee is composed of at least three appropriately qualified non-executive directors, the majority of whom, including the Chairman is independent.	Compliant	Corporate Governance Manual, p. 6 2020 Annual Report, p. 22 shows the membership of the 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	Corporate Governance Manual, p. 6 Audit Committee Terms of Reference 2020 Annual Report, p. 9-11
4	The Chairman of the Audit Committee is not the Chairman of the Board or of any other committee.	Compliant	2020 Annual Report, p. 10 on Janette Pena
<b>Recommendation 3.3</b>			
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	Corporate Governance Manual, p. 5-6 Corporate Governance Committee Terms of Reference
2	Corporate Governance Committee is composed of at least three members, majority of whom should be independent directors.	Compliant	2020 Annual Report, p. 23 shows the membership of the Nomination and Remuneration Committee (now the Corporate Governance Committee)
3	Chairman of the Corporate Governance Committee is an independent director.		2020 Annual Report, p. 10 on Rhoda Regina Rara
<b>Recommendation 3.4</b>			



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	Corporate Governance Manual, p. 6-7 2020 Annual Report, p. 22 shows the membership of the Audit Committee	As explained in CL 2021-71, a BROC is generally for conglomerates and companies with a high risk profile. A BROC was not constituted for this Company.  Instead, the recommendation under 3.2 of the same CL was followed, thus having its Audit Committee perform the functions of a BROC.
2	BROC is composed of at least three members, the majority of whom should be independent directors, including the Chairman.	Compliant		
3	The Chairman of the BROC is not the Chairman of the Board or of any other committee.	Compliant		
4	At least one member of the BROC has relevant thorough knowledge and experience on risk and risk management.	Compliant		
<b>Recommendation 3.5</b>				
1	The Board establishes a Related Party Transactions (RPT) Committee, which is tasked with reviewing all material related party transactions of the company.	Compliant	Corporate Governance Manual, p. 7 2020 Annual Report, p. 32 Related Party Transaction Committee Terms of Reference	
2	RPT Committee is composed of at least three non-executive directors, majority of whom should be independent, including the Chairman.	Compliant	Minutes of the Organizational Board Meeting of 16 April 2021 2020 Annual Report, p. 9-11 Corporate Governance Manual, p. 7 on the Related Party Transaction Committee	The Related Party Transaction Committee is composed of directors Jannette Pena, Rhoda Regina Rara, Conrado Favorito, and Matthew Lawrence
<b>Recommendation 3.6</b>				
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	Corporate Governance Committee Terms of Reference Audit Committee Terms of Reference Related Party Transaction Committee Terms of Reference	
2	Committee Charters provide standards for evaluating their performance of the Committees	Compliant		
3	Committee Charters were fully disclosed on the company's website.	Compliant		

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<b>Principle 4:</b> 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.				
<b>Recommendation 4.1</b>				
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	Compliant	Corporate Governance Manual, p. 21-22 2020 Annual Report, p. 22-24	
2	The directors review meeting materials for all Board and Committee meetings.	Compliant	Corporate Governance Manual, p. 9-10 on Accountabilities of Individual Directors Minutes of the meetings may be provided to the IC upon request	During meetings, questions are put forth by directors which are answered in the current meeting or, if the answers are not available at present, in the next meeting.
3	The directors ask the necessary questions or seek clarifications and explanations during the Board and Committee meetings.	Compliant		
<b>Recommendation 4.2</b>				
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	Corporate Governance Manual, p. 10-11 (II)(a) on Fiduciary Duty 2020 Annual Report, p. 8-11	
<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.	Compliant	Corporate Secretary's Certificate on Independent Directors	

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<b>Principle 5:</b> The board should endeavor to exercise an objective and independent judgment on all corporate affairs.				
<b>Recommendation 5.1</b>				
1	The Board is composed of at least twenty percent (20%) independent directors.	Compliant	2020 Annual Report, p. 8-11	
<b>Recommendation 5.2</b>				
1	The independent directors possess all the necessary qualifications and none of the disqualifications to hold the position.	Compliant	2020 Annual Report, p. 10-11	
<b>Recommendation 5.3</b>				
1	The independent directors serve for a maximum cumulative term of nine years.  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.	Compliant	2020 Annual Report, p. 10-11 Corporate Governance Manual, p. 19	Independent Directors Rhoda Regina Rara and Janette Pena have served the company since 2007. However, considering the reckoning date of 02 January 2015, they have each fulfilled 6 years of service.  Conrado Favorito has served the board since 2018.
2	The company bars an independent director from serving in such capacity after the term limit of nine years.	Compliant	Corporate Governance Manual, p. 19 on Term of Independent Director	
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.	Compliant	Corporate Governance Manual, p. 19 on Term of Independent Director	
<b>Recommendation 5.4</b>				
1	The positions of Chairman of the Board and Chief Executive Officer are held by separate individuals	Compliant	2020 Annual Report, p. 8	Sachin Shah is the Chairperson, while Richard Bates is the Chief Executive Officer
2	The Chairman of the Board and Chief Executive Officer have clearly defined responsibilities.	Compliant	Corporate Governance Manual, p. 8-9	

<b>Recommendation 5.5</b>			
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.	Compliant	2020 Annual Report, p. 8 Corporate Governance Manual, p. 16 on Composition  Lead director to be elected at the next board meeting on 20 August 2021
<b>Recommendation 5.6</b>			
1	Directors with material interest in a transaction affecting the corporation should abstain from taking part in the deliberations for the same.	Compliant	Corporate Governance Manual, p. 23 (VI) on Directors' Conflict of Interest
<b>Recommendation 5.7</b>			
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	Minutes of the Audit Committee Meeting of 16 April 2021 2020 Annual Report, p. 22 on the Audit Committee attendance and membership  The Audit Committee members are all non-executive directors. Attendance (see 2020 Annual Report) shows that no executive director attends the Committee's meetings.
2	The meetings are chaired by the lead independent director.	Compliant	

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<b>Principle 6:</b> 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.				
<b>Recommendation 6.1</b>				
1	The Board conducts an annual assessment of its performance as a whole.	Compliant	Corporate Governance Manual, p. 21 on Board and Director Evaluation; p. 26-32 Sample of Board Effectiveness Survey	
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		
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		Corporate Governance Committee Terms of Reference
<b>Recommendation 6.2</b>				
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	Corporate Governance Manual, p. 21 on Board and Director Evaluation; p. 26-32 Sample of Board Effectiveness Survey	
2	The system allows for a feedback mechanism from the shareholders.	Compliant		

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<b>Principle 7:</b> Members of the Board are duty-bound to apply high ethical standards, taking into account the interests of all stakeholders.				
<b>Recommendation 7.1</b>				
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	Code of Business Conduct and Ethics 2020 Annual Report, p. 31	
2	The Code is properly disseminated to the Board, senior management and employees.	Compliant		
3	The Code is disclosed and made available to the public through the company website.	Compliant		
<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.	Compliant	2020 Annual Report, p. 31	
2	Board ensures the proper and efficient implementation and monitoring of compliance with company internal policies.	Compliant		

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Disclosure and Transparency				
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<b>Principle 8:</b> The company should establish corporate disclosure policies and procedures that are practical and in accordance with best practices and regulatory expectations.				
<b>Recommendation 8.1</b>				
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	2020 Annual Report 2020 Audited Financial Statement	
<b>Recommendation 8.2</b>				
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	2020 Annual Report, p. 8-11; shareholdings on p. 35	
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	2020 Annual Report, p. 12-15 <a href="https://www.manulife.com.ph/en/individual/about-us/our-people/our-management-team.html">https://www.manulife.com.ph/en/individual/about-us/our-people/our-management-team.html</a>	
<b>Recommendation 8.3</b>				
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	Corporate Governance Manual, p. 19 2020 Annual Report, p. 24 Corporate Governance Committee Terms of Reference Corporate Secretary's Certificate on Non-Participation of Directors in Deliberations on Their Compensation	
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	Corporate Governance Committee Terms of Reference	
3	Company discloses the remuneration on an individual basis, including termination and retirement provisions.	Compliant	Minutes of the Annual Stockholders Meeting of 16 April 2021, p. 3 on the Directors' Compensation Report	

<b>Recommendation 8.4</b>				
1	Company discloses its policies governing Related Party Transactions (RPTs) and other unusual or infrequently occurring transactions.	Compliant	2020 Annual Report, p. 32 Related Party Transaction Committee Terms of Reference	
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	2020 Audited Financial Statement, p. 71-75 Minutes of the Regular Board Meeting of 16 April 2021 Minutes of the Annual Stockholders Meeting of 16 April 2021	The 2020 Audited Financial Statement was reviewed and approved by the board in the regular meeting on 16 April 2021, and by the stockholders in the annual stockholders meeting on 16 April 2021.
<b>Recommendation 8.5</b>				
1	Company's corporate governance policies, programs and procedures are contained in its Manual on Corporate Governance (MCG).	Compliant	Corporate Governance Manual	
2	Company's MCG is posted on its company website.	Compliant		



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<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.				
<b>Recommendation 9.1</b>				
1	Audit Committee has a robust process for approving and recommending the appointment, reappointment, removal, and fees of the external auditors.	Compliant	Audit Committee Terms of Reference	
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	Minutes of the Annual Stockholders Meeting of 16 April 2021 Minutes of the Regular Board Meeting of 16 April 2021	
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	Minutes of the Annual Stockholders Meeting of 16 April 2021	External Auditor has not been subject to removal
<b>Recommendation 9.2</b>				
1	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	Audit Committee Terms of Reference	
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	Audit Committee Terms of Reference	
<b>Recommendation 9.3</b>				
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.	Compliant	2020 Annual Report, p. 32, 45 2020 Audited Financial Statement	

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	Audit Committee Terms of Reference	
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Disclosure and Transparency			
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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	2020 Annual Report, p. 37-41; 42-44
2	Company adopts a globally recognized standard/framework in reporting sustainability and non-financial issues.	Compliant	

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<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 decision-making by investors, stakeholders and other interested users.			
<b>Recommendation 11.1</b>			
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	<a href="https://www.manulife.com.ph/">https://www.manulife.com.ph/</a>

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Internal Control System and Risk Management Framework				
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<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.				
1	Company has an adequate and effective internal control system in the conduct of its business.	Compliant	Corporate Governance Manual, p. 15 Audit Committee Terms of Reference	
2	Company has an adequate and effective enterprise risk management framework in the conduct of its business.	Compliant	2020 Annual Report, p. 25-29 Corporate Governance Manual, p. 6-7 on the Audit and Risk Audit Committee Terms of Reference	
<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.	Compliant	Corporate Governance Manual, p. 15 Audit Committee Terms of Reference	
<b>Recommendation 12.3</b>				
1	The company has a qualified Chief Audit Executive (CAE) appointed by the Board.	Compliant	Audit Committee Terms of Reference Corporate Secretary's Certificate on the Head of Audit Services	
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		
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.	Compliant		Audit function is not outsourced
<b>Recommendation 12.4</b>				
1	The company has a separate risk management function to identify, assess and monitor key risk exposures.	Compliant	2020 Annual Report, p. 25-29 Audit Committee Terms of Reference	
<b>Recommendation 12.5</b>				
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).	Compliant	Corporate Secretary's Certificate on the Head of Risk Management	
2	CRO has adequate authority, stature, resources and support to fulfill his/her responsibilities.	Compliant		

Entity: THE MANUFACTURERS LIFE INSURANCE CO. (PHILS.),

<b>ANNUAL CORPORATE GOVERNANCE REPORT</b>				
<b>Cultivating a Synergic Relationship with Shareholders</b>				
		<b>Compliant/ Non-Compliant</b>	<b>Additional Information</b>	<b>Explanation</b>
<b>Principle 13:</b> The company should treat all shareholders fairly and equitably, and also recognize, protect and facilitate the exercise of their rights.				
<b>Recommendation 13.1</b>				
1	Board ensures that basic shareholder rights are disclosed in the Manual on Corporate Governance.	Compliant	2020 Annual Report, p. 34 Corporate Governance Manual	As stated in the Corporate Secretary's Certificate on Nominations by Minority Shareholders, of the 930,000 issued shares of the Corporation, 929,993 shares are owned by The Manufacturers Life Ins. Co. The other seven shares are held by the Directors on behalf of MLIC in their capacity as director.
2	Board ensures that basic shareholder rights are disclosed on the company's website.	Compliant	Amended By-laws, 2020 Annual Report are found on <a href="https://www.manulife.com.ph/en/individual/about-us/our-story/corporate-governance.html">https://www.manulife.com.ph/en/individual/about-us/our-story/corporate-governance.html</a>	
<b>Recommendation 13.2</b>				
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 the Annual Stockholders Meeting of 16 April 2021 Annual Stockholders Meeting Minutes of 16 April 2021 2020 Annual Report, p. 34	
<b>Recommendation 13.3</b>				
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 the Annual Stockholders Meeting of 16 April 2021	As stated in the Corporate Secretary's Certificate on Nominations by Minority Shareholders, of the 930,000 issued shares of the Corporation, 929,993 shares are owned by The Manufacturers Life Ins. Co. The other seven shares are held by the Directors on behalf of MLIC in their capacity as director.
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.	Non-compliant	Minutes of the Annual Stockholders Meeting of 16 April 2021	
<b>Recommendation 13.4</b>				
1	Board has an alternative dispute mechanism to resolve intra-corporate disputes in an amicable and effective manner	Compliant	Code of Business Conduct and Ethics	

2	The alternative dispute mechanism is included in the company's Manual on Corporate Governance.	Compliant	Code of Business Conduct and Ethics (mentioned in the Corporate Governance Manual, p. 3)	
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Entity: THE MANUFACTURERS LIFE INSURANCE CO. (PHILS.),

ANNUAL CORPORATE GOVERNANCE REPORT				
Duties to Stakeholders				
		Compliant/ Non-Compliant	Additional Information	Explanation
<b>Principle 14:</b> 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.				
<b>Recommendation 14.1</b>				
1	Board identifies the company's various stakeholders and promotes cooperation between them and the company in creating wealth, growth and sustainability.	Compliant	2020 Annual Report, p. 20 on Corporate Governance Policy Corporate Governance Manual, p. 10 on Fiduciary Duty and responsibility to internal and external stakeholders	
<b>Recommendation 14.2</b>				
1	Board establishes clear policies and programs to provide a mechanism on the fair treatment and protection of stakeholders.	Compliant	2020 Annual Report, p. 20 on Corporate Governance Policy Corporate Governance Manual, p. 10 on Fiduciary Duty and responsibility to internal and external stakeholders	
<b>Recommendation 14.3</b>				
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	Code of Business Conduct and Ethics 2020 Annual Report, p. 20 on Roles and Responsibilities of the Board	



Entity: THE MANUFACTURERS LIFE INSURANCE CO. (PHILS.),

ANNUAL CORPORATE GOVERNANCE REPORT				
Duties to Stakeholders				
		Compliant/ Non-Compliant	Additional Information	Explanation
<b>Principle 15:</b> 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	2020 Annual Report, p. 36-38; p. 42-44	
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	2020 Annual Report, p. 31 on Anti-Bribery and Anti-Corruption Policy Code of Business Conduct and Ethics	
2	Board disseminates the policy and program to employees across the organization through trainings to embed them in the company's culture			
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	2020 Annual Report, p. 31 on Whistle Blowing Policy; p. 31 on the Ethics Hotline manulifeethics.com	
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		
3	Board supervises and ensures the enforcement of the whistleblowing framework.	Compliant		

Entity: THE MANUFACTURERS LIFE INSURANCE CO. (PHILS.),

ANNUAL CORPORATE GOVERNANCE REPORT			
Duties to Stakeholders			
	Compliant/ Non-Compliant	Additional Information	Explanation
<b>Principle 16:</b> 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.			
<b>Recommendation 16.1</b>			
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	2020 Annual Report, p. 42-44

## CERTIFICATION

The undersigned certify that the responses and explanations set forth in the above Company's Annual Corporate Governance Report are true, complete and correct of their own personal knowledge and/or based on authentic records.

Signed in Makati City on the 27th of July, 2021.

\_\_\_\_\_  
**SACHIN SHAH**  
 Chairman of the Board


  
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**RICHARD BATES**  
 President and CEO

  
 \_\_\_\_\_  
**ATTY. ABBIEGAIL SAC**  
 Corporate Secretary

  
 \_\_\_\_\_  
**ATTY. FRITZIE TANGKIA-FABRICANTE**  
 Chief Legal and Compliance Officer

  
 \_\_\_\_\_  
**JANETTE PENA**  
 Independent Director


  
 \_\_\_\_\_  
**RHODA REGINA RARA**  
 Independent Director

  
 \_\_\_\_\_  
**CONRADO FAVORITO**  
 Independent Director

**SUBSCRIBED AND SWORN** to before me this 27 day of JULY, 2021, by the following who are all personally known to me (or whom I have identified through competent evidence of identity) and who exhibited to me their respective identification documents as follows:

NAME	ID NO.	DATE OF EXPIRY/PLACE ISSUED
Richard Bates		
Abbiegail Sac		
Fritzie Tangkia-Fabricante		
Janette Pena		
Rhoda Regina Rara		
Conrado Favorito		

Doc. No. 509;  
 Page No. 103;  
 Book No. I;  
 Series of 2021.

  
**JUSTIN BENEDICT A. MORETO**  
 Notary Public from Makati City  
 Appointment No. [REDACTED]  
**NOTARY PUBLIC**  
 8<sup>th</sup> Floor, 139 Corporate Center, Valero Street  
 Salcedo Village, Makati City  
 Roll of Attorneys No. 73931  
 MCLC Comp. No. [ADMITTED TO THE BAR 2019]  
 IBP No. 144170 01/05/2021, Quezon City  
 PTR No. MKT8535145; 01/05/2021, Makati City

**CERTIFICATION**

The undersigned certify that the responses and explanations set forth in the above Company's Annual Corporate Governance Report are true, complete and correct of their own personal knowledge and/or based on authentic records.

Signed in \_\_\_\_\_ **PHILIPPINE EMBASSY, SINGAPORE** on the **16 JUL 2021** of \_\_\_\_\_, 2021.



**SACHIN SHAH**  
Chairman of the Board

**RICHARD BATES**  
President and CEO

**ATTY. ABBIEGAIL SAC**  
Corporate Secretary

**ATTY. FRITZIE TANGKIA-FABRICANTE**  
Chief Legal and Compliance Officer

**JANETTE PENA**  
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Independent Director

**CONRADO FAVORITO**  
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**NOTARY PUBLIC**

Doc. No. \_\_\_\_\_;  
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Book No. \_\_\_\_\_;  
Series of 2021.