

# **REVISED MANUAL ON CORPORATE GOVERNANCE**

## **OF**

### **ST. PETER LIFE PLAN, INC.**

The Board of Directors and Management, i. e. officers and staff, of ST. PETER LIFE PLAN, INC. hereby commit themselves to the principles and best practices contained in this Manual, and acknowledge that the same may guide the attainment of corporate goals.

#### **1 OBJECTIVE**

This Revised Manual which is based on the Revised Code of Corporate Governance (per SEC Memorandum Circular No. 6, dated July 15, 2009, Series of 2009 and SEC Memorandum Circular No. 9, dated May 6, 2014, Series of 2014) shall institutionalize the principles of good corporate governance in the entire organization. Corporate Governance is the framework of rules, systems and processes in the corporation that governs the performance of the Board of Directors and Management of their respective duties and responsibilities to stockholders and other stakeholders which include, among others, customers, employees, suppliers, financiers, government and community in which it operates.

The Board of Directors and Management, employees and shareholders, believe that corporate governance is a necessary component of the aspects of sound strategic business management and will undertake every effort necessary to create awareness within the organization as soon as possible.

The Board of Directors (the "Board") is primarily responsible for the governance of the corporation. Corollary to setting the policies for the accomplishment of the corporate objectives, it shall provide an independent check on Management.

#### **2 COMPLIANCE SYSTEM**

##### **2.1. Compliance Officer**

2.1.1. To insure adherence to corporate principles and best practices, the Chairman of the Board shall designate a Compliance Officer who shall hold the position of a Vice President or its equivalent. He shall have direct reporting responsibilities to the Chairman of the Board.

2.1.2 He shall perform the following duties:

- Monitor compliance by the Corporation with the provisions and requirements of this Manual;
- Appear before the Securities and Exchange Commission when summoned in relation to compliance with this Manual and the Code of Corporate Governance;

- Determine violation/s of the Manual and recommend disciplinary actions for violations thereof and recommend preventive measures for further review and approval of the Board;
- Issue a certification every January 30th of the year on the extent of the Corporation's compliance with this Manual for the completed year, explaining the reason/s of the latter's deviation from the same; and
- Identify, monitor and control compliance risks.

2.1.3 The appointment of the compliance officer shall be immediately disclosed to the proper regulatory agency. All correspondence relative to his functions as such shall be addressed to said Officer.

## 2.2. Board Governance

### 2.2.1. Board of Directors

Compliance with the principles of good corporate governance shall start with the Board of Directors.

The membership of the Board may be a combination of executive and non-executive directors (which include independent directors) in order that no director or small group of directors can dominate the decision-making process.

The duties and responsibilities of the Chairman in relation to the Board may include among others the following:

- (i) Ensure that the meetings of the Board are held in accordance with the by-laws or as the Chairman may deem necessary;
- (ii) Supervise the preparation of the agenda of the meeting in coordination with the Corporate Secretary, taking into consideration the suggestions of the President/CEO, Management and the directors, and
- (iii) Maintain qualitative and timely lines of communication and information between the Board and Management.

#### 2.2.1.1. General Responsibility

A director's office is one of trust and confidence. A director should act in the best interest of the corporation in a manner characterized by transparency, accountability and fairness. He should also exercise leadership, prudence and integrity in directing the corporation towards sustained progress.



The Board should formulate the corporation's vision, mission, strategic objectives, policies and procedures that shall guide its activities including the means to effectively monitor Management's performance.

It shall be the Board's responsibility to promote adherence of its Vision, Mission and Corporate Values to foster the long-term success and viability of the Corporation and secure and sustain its competitiveness and profitability in a manner consistent with its fiduciary responsibility and its corporate objectives and the best interests of its shareholders and other stakeholders. The Board shall conduct itself with utmost honesty and integrity in the discharge of its duties, functions and responsibilities.

#### 2.2.1.2 Specific Duties and Functions

To insure a high standard of best practice for the Corporation and its stockholders and other stakeholders, the Board shall conduct itself with honesty and integrity in the performance of, among others, the following duties and functions:

- Implement a process for the selection of directors who can add value and contribute independent judgment to the formulation of sound corporate strategies and policies. Appoint competent, professional, honest and highly motivated management officers. Adopt an effective succession planning program for Management.
- Provide sound strategic policies and guidelines to the corporation on major capital expenditures. Establish programs that can sustain its long-term viability and strength. Periodically evaluate and monitor the implementation of such policies and strategies, including the business plans, operating budgets and Management's overall performance.
- Ensure the corporation's faithful compliance with all applicable laws, regulations and best business practices.
- Establish and maintain an investor relations program that will keep the stockholders informed of important developments in the corporation. If feasible, the corporation's CEO or chief financial officer shall exercise oversight responsibility over this program.
- Identify the Corporation's stakeholders in the community in which the corporation operates or are directly affected by its operations and formulate a clear policy of accurate, timely and effective communication with them.
- Adopt a system of check and balance within the Board. A regular review of the effectiveness of such system should be conducted to ensure the integrity of the decision-making and reporting processes at all times. There should be a continuing report of

the corporation's internal control system in order to maintain its adequacy and effectiveness.

- Identify key risk areas and performance indicators and monitor these factors with due diligence to enable the corporation to anticipate and prepare for possible threats to its operational and financial viability.
- Formulate and implement policies and procedures that would ensure the integrity and transparency of related party transactions between and among the corporation and its parent company, joint ventures, subsidiaries, associates, affiliates, major stockholders, officers and directors, including their spouses, children and dependent siblings and parents and of interlocking director relationships by members of the Board.
- Constitute an Audit Committee and such other committees it deems necessary to assist the Board in the performance of its duties and responsibilities.
- Establish and maintain an alternative dispute resolution system in the corporation that can amicably settle conflicts or differences between the corporation and its stockholders and the corporation and third parties, including the regulatory authorities.
- Meet at such times or frequency as may be needed. The minutes of such meetings should be duly recorded. Independent views during Board meetings should be encouraged and given due consideration.
- Keep the activities and decision of the Board within its authority under the articles of incorporation and by-laws, and in accordance with existing laws, rules and regulations.
- Appoint a Compliance Officer who shall have the rank at least Vice-President. In the absence of such appointment, the Corporate Secretary, preferably a lawyer, shall act as Compliance Officer.

#### 2.2.1.3. Duties and Responsibilities of a Director

A director shall have the following specific duties and responsibilities:

- To conduct fair business transactions with the Corporation and to ensure that personal interest does not conflict with the interests of the corporation;
- To devote time and attention necessary to properly and effectively perform his duties and responsibilities;



- To act judiciously;
- To exercise independent judgment;
- To have a working knowledge of the statutory and regulatory requirements affecting the Corporation, including its Articles of Incorporation and By-Laws, the rules and regulations of the Securities and Exchange Commission (SEC), and where applicable, the requirements of relevant regulatory agencies.
- To observe confidentiality;
- To ensure the continuing soundness, effectiveness and adequacy of the Corporation's control environment.

#### 2.2.1.4. Board Meeting and Quorum Requirement

The members of the Board should attend its regular and special meetings in person or through teleconferencing conducted in accordance with rules and regulations of the Securities and Exchange Commission (SEC).

Independent directors should always attend Board meetings. Unless otherwise provided in the by-laws, their absence shall not affect the quorum requirement. However, the Board may, to promote transparency, require the presence of at least one independent director in all its meetings.

To monitor the directors' compliance with the attendance requirements, corporations shall submit to the Securities and Exchange Commission (SEC), on or before January 30 of the following year, a sworn certification about the directors' record of attendance in Board meetings. The certification may be submitted through SEC Form 17-C or in a separate filing.

#### 2.2.2. Board Committees

To aid in complying with the principles of good corporate governance, the Board shall constitute the following Committees:

##### 2.2.2.1 Nomination Committee

The Board shall create a Nomination Committee which shall have at least three (3) voting directors (one of whom must be an independent director).

2.2.2.1.1. It shall review and evaluate the qualifications of all persons nominated to the Board and other appointments that require Board approval, and to assess the effectiveness of the Board's processes and procedures in the election or replacement of directors.

2.2.2.1.2. It shall pre-screen and shortlist all candidates nominated to become a member of the board of directors in accordance with the following qualifications and disqualifications:

#### Qualifications

In addition to the qualifications for membership in Board provided for in the Corporation Code, Securities Regulation Code and other relevant laws, the Board may provide for additional qualifications which include, among others, the following:

- He must have College education or equivalent academic degree;
- Practical understanding of the business of the corporation;
- Membership in good standing in relevant industry, business or professional organizations; and
- Previous business experience.

#### Disqualifications

##### 1. Permanent

- i. Any person convicted by final judgment or order by a competent judicial or administrative body of any crime that (a) involves the purchase or sale of securities, as defined in the Securities Regulation Code; (b) arises out of the person's conduct as an underwriter, broker, dealer, investment adviser, principal, distributor, mutual fund dealer, future commission merchant, commodity trading advisor, or floor broker; (c) arises out of his fiduciary relationship with a bank, quasi-bank, trust company, investment house or as an affiliated person of any of them;
- ii. Any person who, by reason of misconduct, after hearing, is permanently enjoined by a final judgment or order of the Securities and Exchange Commission (SEC) or any court or administrative body of competent jurisdiction from: (a) acting as underwriter, broker, dealer, investment adviser, principal distributor, mutual fund dealer, future commission merchant, commodity trading advisor, or floor broker; (b) acting as director or officer of a bank, quasi-bank, trust company, investment house, or investment company; (c) engaging in or continuing any conduct or practice in any of the capacities mentioned in sub-paragraphs (a) and (b) above, or willfully violating the laws that govern securities and banking activities.



Disqualification shall also apply if such person is currently the subject of an order of the Securities and Exchange Commission (SEC) or any court or administrative body denying, revoking or suspending any registration, license or permit issued to him under the Corporation Code, Securities Regulation Code or any other law administered by the Securities and Exchange Commission (SEC) or Bangko Sentral ng Pilipinas (BSP), or under any rule or regulation issued by the Securities and Exchange Commission (SEC) or BSP, or has otherwise been restrained to engage in any activity involving securities and banking; or such person is currently the subject of an effective order of a self-regulatory organization suspending or expelling him from membership, participation or association with a member or participant of the organization.

- iii. Any person convicted by final judgment or order by a court or competent administrative body of an offense involving moral turpitude, fraud, embezzlement, theft, estafa, counterfeiting, misappropriation, forgery, bribe, false affirmation, perjury or other fraudulent acts;
- iv. Any person who has been adjudged by final judgment or order of the Securities and Exchange Commission (SEC), court, or competent administrative body to have willfully violated, or willfully aided, abetted, counseled, induced or procured the violation of any provision of the Corporation Code, Securities Regulation Code or any other law administered by the Securities and Exchange Commission (SEC) or Bangko Sentral ng Pilipinas (BSP), or any of its rule, regulation or order;
- v. Any person earlier elected as independent director who becomes an officer, employee or consultant of the same corporation;
- vi. Any person judicially declared as insolvent;
- vii. Any person found guilty by final judgment or order of a foreign court or equivalent financial regulatory authority of acts, violations or misconduct similar to any of the acts, violations or misconduct enumerated in sub-paragraphs (i) to (v) above;
- viii. Conviction by final judgment of an offense punishable by imprisonment for more than six (6) years, or a violation of the Corporation Code committed within five (5) years prior to the date of his election or appointment.

Any of the following shall be a ground for the temporary disqualification of a director:

- i. Refusal to fully disclose the extent of his business interest as required under the Securities Regulation Code and its

Implementing Rules and Regulations. This disqualification shall be in effect as long as his refusal persists.

- ii. Absence in more than fifty (50) percent of all regular and special meetings of the Board during his incumbency, or any twelve (12) month period during the said incumbency, unless the absence is due to illness, death in the immediate family or serious accident. The disqualification shall apply for purposes of the succeeding election.
- iii. Dismissal or termination for cause as director of any corporation covered by this Code. The disqualification shall be in effect until he has cleared himself from any involvement in the cause that gave rise to his dismissal or termination.
- iv. If the beneficial equity ownership of an independent director in the corporation or its subsidiaries and affiliates exceeds two percent of its subscribed capital stock. The disqualification shall be lifted if the limit is later complied with.
- v. If any of the judgments or orders cited in the grounds for permanent disqualification has not yet become final.

2.2.2.1.3. In consultation with the executive or management committee/s, re-define the role, duties and responsibilities of the Chief Executive Officer by integrating the dynamic requirements of the business as a going concern and future expansionary prospects within the realm of good corporate governance at all times.

2.2.2.1.4. The Nomination Committee shall consider the following guidelines in the determination of the number of directorships for the Board:

- The nature of the business of the Corporations which he is a director;
- Age of the director;
- Number of directorships/active memberships and officerships in other corporations or organizations; and
- Possible conflict of interest.

The optimum number shall be related to the capacity of a director to perform his duties diligently in general.

2.2.2.1.5. The Chief Executive Officer and other executive directors shall submit themselves to a low indicative limit on membership in other corporate Boards. The same low limit shall apply to independent, non-executive directors who serve as full-time executives in other corporations. In any case, the capacity of directors to serve with diligence shall not be compromised.



## 2.2.2.2. Compensation and Remuneration Committee

2.2.2.2.1 The Compensation or Remuneration Committee shall be composed of at least three (3) members, one of whom shall be an independent director.

### 2.2.2.2.2 Duties and Responsibilities

- Establish a formal and transparent procedure for developing a policy on executive remuneration and for fixing the remuneration packages of corporate officers and directors, and provide oversight over remuneration of senior management and other key personnel ensuring that compensation is consistent with the Corporation's culture, strategy and the business environment in which it operates.
- Designate amount of remuneration, which shall be in a sufficient level to attract and retain directors and officers who are needed to run the company successfully.
- Establish a formal and transparent procedure for developing a policy on executive remuneration and for fixing the remuneration packages of individual directors, if any, and officers.
- Develop a form on Full Business Interest Disclosure as part of the pre-employment requirements for all incoming officers, which among others compel all officers to declare under the penalty of perjury all their existing business interests or shareholdings that may directly or indirectly conflict in their performance of duties once hired.
- Disallow any director to decide his or her own remuneration.
- Provide in the Corporation's annual reports, information and proxy statements a clear, concise and understandable disclosure of compensation of all fixed and variable compensation that may be paid, directly or indirectly, to its directors and top four (4) management officers during the preceding fiscal year.
- Review (if any) of the existing Human Resources Development or Personnel Handbook, to strengthen provisions on conflict of interest, salaries and benefits policies, promotion and career advancement directives and compliance of personnel concerned with all statutory requirements that must be periodically met in their respective posts.
- Or in the absence of such Personnel Handbook, cause the development of such, covering the same parameters of governance stated above.

### 2.2.2.3. Audit Committee

2.2.2.3.1 The audit committee shall be composed of at least three (3) members of the Board, one (1) of whom shall be an independent director. The Chairman of the Audit Committee should be an Independent Director. Each member shall have adequate understanding at least or competence at most of the company's financial management systems and environment.

#### 2.2.2.3.2 Duties and Responsibilities

- Assist the Board in the performance of its oversight responsibility for the financial reporting process, system of internal control, audit process, and monitoring of compliance with applicable laws, rules and regulations.
- Provide oversight over Management's activities in managing credit, market, liquidity, operational, legal and other risks of the corporation. This function shall include regular receipt from Management of information on risk exposures and risk management activities.
- Perform oversight functions over the corporation's internal and external auditors. It should ensure that the internal and external auditors act independently from each other, and that both auditors are given unrestricted access to all records, properties and personnel to enable them to perform their respective audit functions.
- Review the annual internal audit plan to ensure its conformity with the objectives of the corporation. The plan shall include the audit scope, resources and budget necessary to implement it.
- Prior to the commencement of the audit, discuss with the external auditor the nature, scope and expenses of the audit and ensure proper coordination if more than one audit firm is involved in the activity to secure proper coverage and minimize duplicate of efforts.
- Organize an internal audit department, and consider the appointment of an independent internal auditor and the terms and conditions of its engagement and removal.
- Monitor and evaluate the adequacy and effectiveness of the corporation's internal control system including financial reporting control and information technology security.
- Review the reports submitted by the internal and external auditors.
- Review the quarterly, half-year and annual financial statements before their submission to the Board, with particular focus on the following matters:



- Any change/s in accounting policies and practices
  - Major judgment areas
  - Significant adjustments resulting from audit
  - Going concern assumptions
  - Compliance with accounting standards
  - Compliance with tax, legal and regulatory requirements
- Coordinate, monitor and facilitate compliance with laws, rules and regulations.
  - Evaluate and determine the non-audit work, if any, of the external auditor, and review periodically the non-audit fees paid to the external auditor in relation to their significance to the total annual income of the external auditor and to the corporation's overall consultancy expenses. This committee shall disallow any non-audit work that will conflict with his duties as an external auditor or may pose a threat to his independence. The non-audit work, if allowed. Should be disclosed in the corporation's annual report.
  - Establish and identify the reporting line of the Internal Auditor to enable him to properly fulfill his duties and responsibilities. He shall functionally report directly to the Audit Committee.
  - The Audit Committee shall ensure that, in the performance of the work of the Internal Auditor, he shall be free from interference by outside parties.

### 2.2.3. The Corporate Secretary

2.2.3.1 The Corporate Secretary is an officer of the company and perfection in performance and no surprises are expected of him. Likewise, his loyalty to the mission, vision and specific business objectives of the corporate entity come with his duties.

2.2.3.2 The Corporate Secretary shall be a Filipino citizen.

#### 2.2.3.3 Duties and Responsibilities

- Be responsible for the safekeeping and preservation of the integrity of the minutes of the meetings of the Board and its committees, as well as the other official records of the corporation.
- Be loyal to the mission, vision and objectives of the corporation.
- Work fairly and objectively with the Board, Management, stockholders and other stakeholders.
- Have appropriate administrative and interpersonal skills.

- If he is not at the same time the corporation's legal counsel, be aware of the laws, rules and regulations necessary in the performance of his duties and responsibilities.
- Have a working knowledge of the operations of the corporation.
- Inform the members of the Board, in accordance with the by-laws, of the agenda of their meetings and ensure that the member have before them accurate information that will enable them to arrive at intelligent decision on matters that require their approval.
- Attend all Board Meetings, except when justifiable causes, such as illness, death in the immediate family and serious accidents, prevent him from doing so.
- Ensure that all Board procedures, rules and regulations are strictly followed by the members.
- If he is also the Compliance Officer, perform all the duties and responsibilities of the said officer as provided for in this Code.

#### 2.2.4. Adequate and Timely Information

To enable the members of the Board to properly fulfill their duties and responsibilities, Management should provide them with complete, adequate and timely information about the matters to be taken in their meetings.

Reliance on the information volunteered by Management would not be sufficient in all circumstances and further inquiries may have to be made by a member of the Board to enable him to properly perform his duties and responsibilities. Hence, the members should be given independent access to Management and the Corporate Secretary.

The information may include the background or explanation on matters brought before the Board, disclosures, budgets, forecast and internal financial documents.

The members, either individually or as a Board, and in furtherance of their duties and responsibilities, should have access to independent professional advice at the corporation's expense.

#### 2.2.5. Accountability and Audit

A) The Board is primarily accountable to the stockholders. It should provide them with a balanced and comprehensible assessment of the corporation's performance, position and prospects on a quarterly basis, including interim and other reports that could adversely affect its business, as well as reports to regulators that are required by law.



Thus, it is essential that Management provide all members of the Board with accurate and timely information that would enable the Board to comply with its responsibilities to the stockholders.

Management should formulate, under the supervision of the Audit Committee, the rules and procedures on financial reporting and internal control in accordance with the following guidelines:

(i) The extent of its responsibility in the preparation of the financial statements of the corporation, with the corresponding delineation of the responsibilities that pertain to the external auditor, should be clearly explained.

(ii) An effective system of internal control that will ensure the integrity of the financial reports and protection of the assets of the corporation for the benefit of all stockholders and other stakeholders.

(iii) On the basis of the approved audit plans, internal audit examinations should cover, at the minimum, the evaluation of the adequacy and effectiveness of controls that cover the corporation's governance, operations and information systems, including the reliability and integrity of financial and operational information, effectiveness and efficiency of operations, protection of assets, and compliance with contracts, laws, rules and regulations.

(iv) The corporation should consistently comply with the financial reporting requirements of the Securities and Exchange Commission (SEC).

(v) The external auditor should be rotated or changed every five (5) years or earlier, or the signing partner of the external auditing firm assigned to the corporation, should be changed with the same frequency. The Internal Auditor should submit to the Audit Committee and Management an annual report on the internal audit department's activities, responsibilities and performance relative to the audit plans and strategies as approved by the Audit Committee. The annual report should include significant risk exposures, control issues and such other matters as may be needed or requested by the Board and Management. The Internal Auditor should certify that he conducts his activities in accordance with the International Standards on the Professional Practice of Internal Auditing. If he does not, he shall disclose to the Board and Management the reasons why he has not fully complied with the said standards.

B) The Board, after consultations with the Audit Committee, shall recommend to the stockholders an external auditor duly accredited by the Securities and Exchange Commission (SEC) who shall undertake an independent audit of the corporation, and shall provide an objective assurance on the manner by which the financial statements shall be prepared and presented to the stockholders. The external auditor shall



not, at the same time, provide internal audit services to the corporation. Non-audit work may be given to the external auditor, provided it does not conflict with his duties as independent auditor, or does not pose a threat to his independence.

If the external auditor resigns, is dismissed or ceases to perform his services, the reason/s for and the date of effectivity of such actions shall be reported in the corporation's annual and current reports. The report shall include a discussion of any disagreement between him and the corporation on accounting principles or practices, financial disclosures or audit procedures which the former auditor and the corporation failed to resolve satisfactorily. A preliminary copy of the said report shall be given by the corporation to the external auditor before its submission.

If the external auditor believes that any statement made in an annual report, information statement or any report filed with the Commission or any regulatory body during the period of his engagement is incorrect or incomplete, he shall give his comments or views on the matter in the said report.

#### 2.2.6. External Auditor

2.2.6.1. An external auditor shall enable an environment of good corporate governance as reflected in the financial records and reports of the company. An external auditor, duly accredited by the Securities and Exchange Commission (SEC), shall be selected and appointed by the stockholders upon recommendation of the Board.

2.2.6.2. The reason/s for the resignation, dismissal or cessation from service and the date thereof of an external auditor shall be reported in the company's annual and current reports. Said report shall include a discussion of any disagreement with said former external auditor on any matter of accounting principles or practices, financial statement disclosure or auditing scope or procedure.

2.2.6.3 The external auditor of the company shall not at the same time provide the services of an internal auditor to the same client. The Corporation shall ensure that other non-audit work shall not be in conflict with the functions of the external auditor.

2.2.6.4. If an external auditor believes that the statements made in the company's annual report, information statement or any report filed with the Securities and Exchange Commission (SEC) or any regulatory body during his engagement is incorrect or incomplete, he shall present his views in said reports.

#### 2.2.7 Internal Auditor

2.2.7.1. The Corporation shall have in place an independent internal audit function which shall be performed by an Internal Auditor or a



group of Internal Auditors, through which its Board, senior management, and stockholders shall be provided with reasonable assurance that its key organizational and procedural controls are effective, appropriate, and complied with.

2.2.7.2. The Internal Auditor shall report to the Audit Committee.

2.2.7.3. The minimum internal control mechanisms for management's operational responsibility shall center on the CEO, being ultimately accountable for the Corporation's organizational and procedural controls.

2.2.7.4. The scope and particulars of a system of effective organizational and procedural controls shall be based on the following factors: the nature and complexity of business and the business culture; the volume, size and complexity of transactions; the degree of risk; the degree of centralization and delegation of authority; the extent and effectiveness of information technology; and the extent of regulatory compliance.

### **3 COMMUNICATION AND TRAINING PROCESS**

3.1. This manual shall be available for inspection by any stockholder of the Corporation at reasonable hours on business days.

3.2. An adequate number of printed copies of this Manual must be reproduced under the supervision of HRD, with a minimum of at least one (1) hard copy of the Manual per department.

3.3 If necessary, funds shall be allocated by the CFO or its equivalent officer for the purpose of conducting an orientation program or workshop to operationalize this Manual.

3.4. A director shall, before assuming as such, be required to attend a seminar on corporate governance which shall be conducted by a duly recognized private or government institute.

### **4 REPORTORIAL OR DISCLOSURE SYSTEM OF COMPANY'S CORPORATE GOVERNANCE POLICIES**

4.1. The reports or disclosures required under this Manual shall be prepared and submitted to the Commission by the responsible Committee or officer through the Corporation's Compliance Officer;

4.2. It is therefore essential that all material information about the corporation which could adversely affect its viability or the interest of its stockholders and other stakeholders should be publicly and timely disclosed. Such information should include, among others, earnings, results, acquisitions or disposition of

assets, off balance sheet transactions, related party transactions and direct and indirect remuneration of members of the Board and Management.

4.3. Other information that shall always be disclosed includes remuneration (including stock options) of all directors and senior management corporate strategy, and off balance sheet transactions.

4.4. All disclosed information shall be released via the approved stock exchange procedure for company announcements as well as through the annual report.

4.5. The Board shall therefore commit at all times to full disclosure of material information dealings. It shall cause the filing of all required information through the appropriate Exchange mechanism for listed companies and submission to the Commission for the interest of its stockholders and other stakeholders.

## **5 STOCKHOLDERS' RIGHTS AND PROTECTION OF MINORITY STOCKHOLDERS' INTERESTS**

A) The Board shall respect the rights of the stockholders as provided in the Corporation Code, namely:

- (i) Right to vote on all matters that require their consent or approval;
- (ii) Pre-emptive right to all stock issuances of the corporation;
- (iii) Right to inspect corporate books and records;
- (iv) Right to information;
- (v) Right to dividends; and
- (vi) Appraisal right.

B) The Board should be transparent and fair in the conduct of the annual and special stockholders' meetings of the corporation. The stockholders should be encouraged to personally attend such meetings. If they cannot attend, they should be apprised ahead of time of their right to appoint a proxy. Subject to the requirements of by-laws, the exercise of that right shall not be unduly restricted and any doubt about the validity of a proxy should be resolved in the stockholder's favor.

It is the duty of the Board to promote the rights of the stockholders, remove impediments to the exercise of those rights and provide an adequate avenue for them to seek timely redress for breach of their rights.

The Board should take the appropriate steps to remove excessive or unnecessary costs and other administrative impediments to the stockholders' meaningful participation in meetings, whether in person or by proxy. Accurate and timely information should be made available to the stockholders to enable them to make a sound judgment on all matters brought to their attention for consideration or approval.

Although all stockholders should be treated equally or without discrimination, the Board should give minority stockholders the right to propose the holding of



meetings and the items for discussion in the agenda that relate directly to the business of the corporation.

## **6 MONITORING AND ASSESSMENT**

6.1. Each Committee shall report regularly to the Board of Directors.

6.2. The Compliance Officer shall establish an evaluation system to determine and measure compliance with this Manual. Any violation thereof shall subject the responsible officer or employee to the penalty provided under Part 7 of this Manual.

6.3. The establishment of such evaluation system, including the features thereof, shall be disclosed in the company's annual report (SEC Form 17-A) or in such form of report that is applicable to the Corporation. The adoption of such performance evaluation system must be covered by a Board approval.

6.4. This Manual shall be subject to quarterly review unless the same frequency is amended by the Board.

6.5. All business processes and practices being performed within any department or business unit of Model Corporation that are not consistent with any portion of this manual shall be revoked unless upgraded to the extent or level of compliance.

### **6.6 Governance Self-Rating System**

6.6.1. The Board may create an internal self-rating system that can measure the performance of the Board and Management in accordance with the criteria provided for in this Code.

6.6.2. The creation and implementation of such self-rating system, including its salient features, may be disclosed in the corporation's annual report.

## **7 PENALTIES FOR NON-COMPLIANCE WITH THE MANUAL**

7.1. To strictly observe and implement the provisions of this manual, the following penalties shall be imposed, after notice and hearing, on the company's directors, officers, staff, subsidiaries and affiliates and their respective directors, officers and staff in case of violation of any of the provision of this Manual:

- In case of first violation, the subject person shall be reprimanded.
- Suspension from office shall be imposed in case of second violation. The duration of the suspension shall depend on the gravity of the violation.

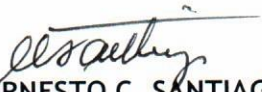
- For third violation, the maximum penalty of removal from office shall be imposed.

7.2. The commission of a third violation of this manual by any member of the board of the company or its subsidiaries and affiliates shall be a sufficient cause for removal from directorship.

7.3. The Compliance Officer shall be responsible for determining violation/s through notice and hearing and shall recommend to the Chairman of the Board the imposable penalty for such violation, for further review and approval of the Board.

8. This Revised Manual on Corporate Governance of St. Peter Life Plan, Inc. effectively supersedes, substitutes and replaces all previous Manual on Corporate Governance submitted before the Securities and Exchange Commission (SEC).

Signed:

  
**ERNESTO C. SANTIAGO**  
**CHAIRMAN OF THE BOARD**

December 17, 2014