



MEGA RE INTERNATIONAL, INC.

OFFICE COPY

ANNUAL CORPORATE GOVERNANCE REPORT

MEGA RE INTERNATIONAL, INC.

May 26, 2025

2024

RD-10-2022-R

Reynaldo A. Regaldo

Insurance Commissioner

Insurance Commission

1071 United Nations Avenue

Ermita, Manila

Other jurisdiction of incorporation or organization

Condo 10 Tower II, 6817

North, Salcedo Village, Makati City

3227

Postal Code

(632) 8815-6608

Company's telephone number, including area code

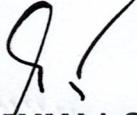
Attention : **Atty. Albert Lawrence A. Vinzon**

Division Manager, Anti-Money Laundering and Corporate Governance

In compliance with Insurance Commission's Circular Letter Nos. 2020-72 (Submission of Annual Corporate Governance Report or ACGR) dated 13 June 2020, we are respectfully submitting two (2) copies of the Company's ACGR for fiscal Year 2024.

We hope that you find everything in order.

Very truly yours,


MARIA GEMMA I. SANTOS

President – Chief Executive Officer



Enrico D. Cleofas
Insurance Commission - Admin.
Records - Receiving



Phone.

(632)8815-6608 • (632)8815-3692 • (632)8812-5747

(632)8812-5746 • (632)8893-7879



Email.

gemma@megare.net.ph

jackie@megare.net.ph



Address.

Rm. 906 9/F, Cityland Condo 10, Tower 2, 6817 Ayala Avenue

North, Salcedo Village, Makati City, Philippines

ANNUAL CORPORATE GOVERNANCE REPORT

MEGA RE INTERNATIONAL, INC.

1. For the fiscal year ended **2024**

2. Certificate Authority Number **RB-10-2022-R**

3. **PHILIPPINES**

3. Province, Country or other jurisdiction of incorporation or organization
Room 906, 9/f Cityland Condo 10 Tower II, 6817

4. **Ayala Avenue, North Salcedo Village, Makati City** **1227**

Address of principal office Postal Code

5. **(632) 8815-6608**

Company's telephone number, including area code

6. **www.megare.net.ph**

Company's official website

9. **N/A**

Former name, former address, and former fiscal year, if changed since last report.

INTEGRATED ANNUAL CORPORATE GOVERNANCE REPORT													
	COMPLIANT/ NON- COMPLIANT	ADDITIONAL INFORMATION	EXPLANATION										
The Board's Governance Responsibilities													
<p>Principle 1: The company should be headed by a competent, working board to foster the long- term success of the corporation, and to sustain its competitiveness and profitability in a manner consistent with its corporate objectives and the long- term best interests of its shareholders and other stakeholders.</p>													
<p>Recommendation 1.1</p> <table border="0"> <tr> <td>1. Board is composed of directors with collective working knowledge, experience or expertise that is relevant to the company's industry/sector.</td> <td>Compliant</td> <td rowspan="3"> <p>Provide information or link/reference to a document containing information on the following:</p> <ol style="list-style-type: none"> 1. Academic qualifications, industry knowledge, professional experience, expertise and relevant trainings of directors 2. Qualification standards for directors to facilitate the selection of potential nominees and to serve as benchmark for the evaluation of its performance </td> <td>The Board has eight (8) members with expertise in the field of Re Insurance, business, marketing, strategy formulation, risk management and 1 of the members has an expertise with law.</td> </tr> <tr> <td>2. Board has an appropriate mix of competence and expertise.</td> <td>Compliant</td> <td>The Board has a diverse and balanced composition consisting of highly qualified directors.</td> </tr> <tr> <td>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.</td> <td>Compliant</td> <td>Members of the Board are highly competent individuals with demonstrated excellence in their respective fields.</td> </tr> </table>				1. Board is composed of directors with collective working knowledge, experience or expertise that is relevant to the company's industry/sector.	Compliant	<p>Provide information or link/reference to a document containing information on the following:</p> <ol style="list-style-type: none"> 1. Academic qualifications, industry knowledge, professional experience, expertise and relevant trainings of directors 2. Qualification standards for directors to facilitate the selection of potential nominees and to serve as benchmark for the evaluation of its performance 	The Board has eight (8) members with expertise in the field of Re Insurance, business, marketing, strategy formulation, risk management and 1 of the members has an expertise with law.	2. Board has an appropriate mix of competence and expertise.	Compliant	The Board has a diverse and balanced composition consisting of highly qualified directors.	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	Members of the Board are highly competent individuals with demonstrated excellence in their respective fields.
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2. Board has an appropriate mix of competence and expertise.	Compliant		The Board has a diverse and balanced composition consisting of highly qualified directors.										
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		Members of the Board are highly competent individuals with demonstrated excellence in their respective fields.										
<p>Recommendation 1.2</p> <table border="0"> <tr> <td>1. Board is composed of a majority of non-executive directors.</td> <td>Compliant</td> <td>Identify or provide link/reference to a document identifying the directors and the type of directorships</td> <td>Reference: General Information Sheet https://www.megare.net.ph</td> </tr> </table>				1. Board is composed of a majority of non-executive directors.	Compliant	Identify or provide link/reference to a document identifying the directors and the type of directorships	Reference: General Information Sheet https://www.megare.net.ph						
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<p>Recommendation 1.3</p> <table border="0"> <tr> <td>1. Company provides in its Board Charter and Manual on Corporate Governance a policy on training of directors.</td> <td>Non-compliant</td> <td>Provide link or reference to the company's Board Charter and Manual on Corporate Governance relating to its policy on training of directors.</td> <td>The Corporate Governance Manual is in progress.</td> </tr> <tr> <td>2. Company has an orientation program for first time directors.</td> <td>Non-compliant</td> <td>Provide information or link/reference to a document containing information on the orientation program and trainings of directors for the previous year, including the</td> <td></td> </tr> </table>				1. Company provides in its Board Charter and Manual on Corporate Governance a policy on training of directors.	Non-compliant	Provide link or reference to the company's Board Charter and Manual on Corporate Governance relating to its policy on training of directors.	The Corporate Governance Manual is in progress.	2. Company has an orientation program for first time directors.	Non-compliant	Provide information or link/reference to a document containing information on the orientation program and trainings of directors for the previous year, including the			
1. Company provides in its Board Charter and Manual on Corporate Governance a policy on training of directors.	Non-compliant	Provide link or reference to the company's Board Charter and Manual on Corporate Governance relating to its policy on training of directors.	The Corporate Governance Manual is in progress.										
2. Company has an orientation program for first time directors.	Non-compliant	Provide information or link/reference to a document containing information on the orientation program and trainings of directors for the previous year, including the											

3. Company has relevant annual continuing training for all directors.	Non-compliant	number of hours attended and topics covered.	
Recommendation 1.4			
1. Board has a policy on board diversity.	Compliant	Provide information on or link/reference to a document containing information on the company's board diversity policy. Indicate gender composition of the board.	The Board hereby adopts board diversity Policy to ensure that the company benefits from the healthy exchange of ideas from a diverse mix of expertise, experience and skills. The Board Members of Mega Re International is composed of 6 female and 3 males.
Recommendation 1.5			
1. Board is assisted by a Corporate Secretary.	Compliant	Provide information on or link/reference to a document containing information on the Corporate Secretary, including his/her name, qualifications, duties and functions.	Corporate Secretary Atty. Florentino H. Garces He ensures that a corporation meets legal standards and upholds effective governance.
2. Corporate Secretary is a separate individual from the Compliance Officer.	Compliant		Corporate Secretary is different individual to Compliance Officer.
3. Corporate Secretary is not a member of the Board of Directors.	Non-compliant		Corporate Secretary Is an elected member of The Board of Directors
4. Corporate Secretary attends training/s on corporate governance.	Non-compliant	Provide information or link/reference to a document containing information on the corporate governance training attended, including number of hours and topics covered	
Recommendation 1.6			
1. Board is assisted by a Compliance Officer.	Non-compliant	Provide information on or link/reference to a document containing information on the Compliance Officer, including his/her name, position, qualifications, duties and functions.	
2. Compliance Officer has a rank of Senior Vice President or an equivalent position with adequate stature and authority in the corporation.	Non-compliant		Compliance Officer holding the position of Claims and Compliance Supervisor.
3. Compliance Officer is not a member of the board.	Compliant		The Compliance Officer of Mega Re is not an elected member of The Board of Directors. She is

			holding a position of Claims & Compliance Supervisor.
4. Compliance Officer attends training/s on corporate governance.	Non Compliant	Provide information on or link/reference to a document containing information on the corporate governance training attended, including number of hours and topics covered	
Principle 2: 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.			
Recommendation 2.1			
1. Directors act on a fully informed basis, in good faith, with due diligence and care, and in the best interest of the company.	Compliant	Provide information or reference to a document containing information on how the directors performed their duties (can include board resolutions, minutes of meeting)	The Board acts on a fully informed basis, in good faith with due diligence and care in the best interest of the company.
Recommendation 2.2			
1. Board oversees the development, review and approval of the company's business objectives and strategy.	Compliant	Provide information or link/reference to a document containing information on how the directors performed this function (can include board resolutions, minutes of meeting) Indicate frequency of review of business objectives and strategy	Part of the responsibilities of the Board is "to be primarily responsible in the development and periodic review of Mega Re Intl Inc. overall strategy, including defining both the immediate and long-term objectives of the company in with the aim of realizing the corporate vision of the company.
2. Board oversees and monitors the implementation of the company's business objectives and strategy.	Compliant		The Board of Directors ensure the development and review, approval of the company business objective and strategies.
Recommendation 2.3			
1. Board is headed by a competent and qualified Chairperson.	Compliant	Provide information or reference to a document containing information on the Chairperson, including his/her name and qualifications	Chairman of the Board: Lina Cortez Laxamana Reference: General Information Sheet
Recommendation 2.4			
1. Board ensures and adopts an effective succession planning program for directors, key officers and management.	Non-compliant	Disclose and provide information or link/reference to a document containing information on the company's succession	

2. Board adopts a policy on the retirement for directors and key officers.	Compliant	planning policies and programs and its implementation	The Company provides retirement policy to its employees.
Recommendation 2.5			
1. Board aligns the remuneration of key officers and board members with long-term interests of the company.	Non-compliant	Provide information on or link/reference to a document containing information on the company's remuneration policy and its implementation, including the relationship between remuneration and performance.	The Corporate Governance Manual is still working.
2. Board adopts a policy specifying the relationship between remuneration and performance.	Non-compliant		The Corporate Governance Manual is still working.
3. Directors do not participate in discussions or deliberations involving his/her own remuneration.	Non-compliant		The Corporate Governance Manual is still working.
Recommendation 2.6			
1. Board has a formal and transparent board nomination and election policy.	Non-compliant	Provide information or reference to a document containing information on the company's nomination and election policy and process and its implementation, including the criteria used in selecting new directors, how the shortlisted candidates and how it encourages nominations from shareholders. Provide proof if minority shareholders have a right to nominate candidates to the board Provide information if there was an assessment of the effectiveness of the Board's processes in the nomination, election or replacement of a director.	The Corporate Governance Manual is still working.
2. Board nomination and election policy is disclosed in the company's Manual on Corporate Governance.	Non-compliant		The Corporate Governance Manual is still working.
3. Board nomination and election policy includes how the company accepted nominations from minority shareholders.	Non-compliant		The Corporate Governance Manual is still working.
4. Board nomination and election policy includes how the board shortlists candidates.	Non-compliant		The Corporate Governance Manual is still working.
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.	Non-compliant		The Corporate Governance Manual is still working.
6. Board has a process for identifying the quality of directors that is aligned with the strategic direction of the company.	Non-compliant		The Corporate Governance Manual is still working.

Recommendation 2.7			
1. Board has overall responsibility in ensuring that there is a group-wide policy and system governing related party transactions (RPTs) and other unusual or infrequently occurring transactions.	Non-compliant	Provide information on or reference to a document containing the company's policy on related party transaction, including policy on review and approval of significant RPTs	The Corporate Governance Manual is still working.
2. RPT policy includes appropriate review and approval of material RPTs, which guarantee fairness and transparency of the transactions.	Non-compliant	Identify transactions that were approved pursuant to the policy.	The Corporate Governance Manual is still working.
3. RPT policy encompasses all entities within the group, taking into account their size, structure, risk profile and complexity of operations.	Non-compliant		The Corporate Governance Manual is still working.
Recommendation 2.8			
1. Board is primarily responsible for approving the selection of Management led by the Chief Executive Officer (CEO) and the heads of the other control functions (Chief Risk Officer, Chief Compliance Officer and Chief Audit Executive).	Compliant	Provide information on or reference to a document containing the Board's policy and responsibility for approving the selection of management. Identity the Management team appointed	The Board is responsible for approving the appointment of members of Management. The current list of Management is available on the General Information Sheet. Reference: General Information Sheet
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	Provide information on or reference to a document containing the Board's policy and responsibility for assessing the performance of management. Provide information on the assessment process and indicate frequency of assessment of performance.	<i>It will include the Corporate Governance Manual.</i>
Recommendation 2.9			
1. Board establishes an effective performance management framework that ensures that Management's performance is at par with the standards set by the Board and Senior Management.	Compliant	Provide information on or link/reference to a document containing the Board's performance management framework for management and personnel.	<i>The Human Resources Department adopts a 2 years evaluation performance appraisal for all employees. It serves as a feedback mechanism and is issued as a reference for</i>

			<p><i>regularization, merit increases, salary adjustments, promotions, or training needs.</i></p> <p><i>Reference: Employee Performance Appraisal Policy</i></p>
2. Board establishes an effective performance management framework that ensures that personnel's performance is at par with the standards set by the Board and Senior Management.	Non-compliant		<p><i>The Company has Performance Management and Appraisal System focuses on both tangible results and competencies</i></p> <p><i>Reference: Employee Performance Appraisal Policy</i></p>
Recommendation 2.10			
1. Board oversees that an appropriate internal control system is in place.	Non-compliant	Provide information on or link/reference to a document showing the Board's responsibility for overseeing that an appropriate internal control system is in place and what is included in the internal control system	
2. The internal control system includes a mechanism for monitoring and managing potential conflict of interest of the Management, members and shareholders.	Non-compliant		The Corporate Governance Manual on process
3. Board approves the Internal Audit Charter.	Compliant	Provide reference or link to the company's Internal Audit Charter	Mega Re International has long established an Internal Audit Department to help the Board and Executive Management to protect the assets, reputation, and sustainability of the Company by providing an independent and objective assurance and consulting activity that is guided by a philosophy of adding value to improve the operations of the organization.
Recommendation 2.11			
1. Board oversees that the company has in place a sound enterprise risk management (ERM) framework to effectively identify, monitor, assess and manage key business risks.	Non-compliant	Provide information on or link/reference to a document showing the Board's oversight responsibility on the establishment of a sound enterprise risk management	
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.	Non-compliant	framework and how the board was guided by the framework. Provide proof of effectiveness of risk management strategies, if any.	
Recommendation 2.12			

1. Board has a Board Charter that formalizes and clearly states its roles, responsibilities and accountabilities in carrying out its fiduciary role.	Non-compliant	Provide link to the company's website where the Board Charter is disclosed.	
2. Board Charter serves as a guide to the directors in the performance of their functions.	Non-compliant		
3. Board Charter is publicly available and posted on the company's website.	Non-compliant		

Principle 3: Board committees should be set up to the extent possible to support the effective performance of the Board's functions, particularly with respect to audit, risk management, related party transactions, and other key corporate governance concerns, such as nomination and remuneration. The composition, functions and responsibilities of all committees established should be contained in a publicly available Committee Charter.

Recommendation 3.1

1. Board establishes board committees that focus on specific board functions to aid in the optimal performance of its roles and responsibilities.	Non-complaint	Provide information or link/reference to a document containing information on all the board committees established by the company.	
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Recommendation 3.2

1. Board establishes an Audit Committee to enhance its oversight capability over the company's financial reporting, internal control system, internal and external audit processes, and compliance with applicable laws and regulations.	Complaint	Provide information or link/reference to a document containing information on the Audit Committee, including its functions. Indicate if it is the Audit Committee's responsibility to recommend the appointment and removal of the company's external auditor.	Audit Committee monitors and evaluates the adequacy and effectiveness of the corporation's internal control system, integrity of financial reporting, and security of physical and information assets
2. Audit Committee is composed of at least three appropriately qualified non-executive directors, the majority of whom, including the Chairman is independent.	Complaint	Provide information or link/reference to a document containing information on the members of the Audit Committee, including their qualifications and type of directorship.	Audit Committee are non-executive Director Eric Dalija Grace Manibo Jyxl Jill Pajilga
3. All the members of the committee have relevant background, knowledge, skills, and/or experience in the areas of accounting, auditing and finance.	Complaint	Provide information or link/reference to a document containing information on the background, knowledge, skills, and/or experience of the members of the Audit Committee.	The Audit Members has a background knowledge in accounting, auditing and finance. As two of them are CPA

4. The Chairman of the Audit Committee is not the Chairman of the Board or of any other committee.	Complaint	Provide information or link/reference to a document containing information on the Chairman of the Audit Committee	Audit Committee is separate individuals
Recommendation 3.3			
1. Board establishes a Corporate Governance Committee tasked to assist the Board in the performance of its corporate governance responsibilities, including the functions that were formerly assigned to a Nomination and Remuneration Committee.	Complaint	Provide information or reference to a document containing information on the Corporate Governance Committee, including its functions Indicate if the Committee undertook the process of identifying the quality of directors aligned with the company's strategic direction, if applicable.	The combined functions were previously assigned to the Nomination Committee and the Compensation Committee. Further, said Charter provides that it has the responsibility to screen and appraise the qualifications of current and would-be directors.
2. Corporate Governance Committee is composed of at least three members, all of whom should be independent directors.	Non-Complaint	Provide information or link/reference to a document containing information on the members of the Corporate Governance Committee, including their qualifications and type of directorship.	
3. Chairman of the Corporate Governance Committee is an independent director.	Non-complaint	Provide information or link/reference to a document containing information on the Chairman of the Corporate Governance Committee.	
Recommendation 3.4			
1. Board establishes a separate Board Risk Oversight Committee (BROC) that should be responsible for the oversight of a company's Enterprise Risk Management system to ensure its functionality and effectiveness.	Non-complaint	Provide information or link/reference to a document containing information on the Board Risk Oversight Committee (BROC), including its functions	
2. BROC is composed of at least three members, the majority of whom should be independent directors, including the Chairman.	Non-compliant	Provide information or link/reference to a document containing information on the members of the BROC, including their qualifications and type of directorship	

3. The Chairman of the BROCs is not the Chairman of the Board or of any other committee.	Non-compliant	Provide information or link/reference to a document containing information on the Chairman of the BROCs	
4. At least one member of the BROCs has relevant thorough knowledge and experience on risk and risk management.	Non-compliant	Provide information or link/reference to a document containing information on the background, skills, and/or experience of the members of the BROCs.	
Recommendation 3.5			
1. Board establishes a Related Party Transactions (RPT) Committee, which is tasked with reviewing all material related party transactions of the company.	Non-Compliant	Provide information or link/reference to a document containing information on the Related Party Transactions (RPT) Committee, including its functions.	
2. RPT Committee is composed of at least three non-executive directors, two of whom should be independent, including the Chairman.	Non-compliant	Provide information or link/reference to a document containing information on the members of the RPT Committee, including their qualifications and type of directorship.	
Recommendation 3.6			
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.	Non-compliant	Provide information on or link/reference to the company's committee charters, containing all the required information, particularly the functions of the Committee that is necessary for performance evaluation purposes.	
2. Committee Charters provide standards for evaluating the performance of the Committees.	Non-compliant		
3. Committee Charters were fully disclosed on the company's website.	Non-compliant	Provide link to company's website where the Committee Charters are disclosed.	
Principle 4: To show full commitment to the company, the directors should devote the time and attention necessary to properly and effectively perform their duties and responsibilities, including sufficient time to be familiar with the corporation's business.			
Recommendation 4.1			

1. The Directors 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	<p>Provide information or link/reference to a document containing information on the process and procedure for tele/videoconferencing board and/or committee meetings.</p> <p>Provide information or link/reference to a document containing information on the attendance and participation of directors to Board, Committee and shareholders' meetings.</p>	Minutes of Meeting disclose to Annual Report
2. The directors review meeting materials for all Board and Committee meetings.	Non-compliant		
3. The directors ask the necessary questions or seek clarifications and explanations during the Board and Committee meetings.	Non-compliant	Provide information or link/reference to a document containing information on any questions raised or clarification/explanation sought by the directors	
Recommendation 4.2			
1. Non-executive directors concurrently serve in a maximum of five publicly-listed companies to ensure that they have sufficient time to fully prepare for minutes, challenge Management's proposals/views, and oversee the long-term strategy of the company.	Non-compliant	<p>Disclose if the company has a policy setting the limit of board seats that a non-executive director can hold simultaneously.</p> <p>Provide information or reference to a document containing information on the directorships of the company's directors in both listed and non-listed companies</p>	
Recommendation 4.3			
1. The directors notify the company's board before accepting a directorship in another company.	Non-compliant	Provide copy of written notification to the board or minutes of board meeting wherein the matter was discussed.	
Principle 5: The board should endeavor to exercise an objective and independent judgment on all corporate affairs			
Recommendation 5.1			

1. The Board has at least 3 independent directors or such number as to constitute one-third of the board, whichever is higher.	Non-Compliant	Provide information or link/reference to a document containing information on the number of independent directors in the board	
Recommendation 5.2			
1. The independent directors possess all the qualifications and none of the disqualifications to hold the positions.	Non-compliant	Provide information or link/reference to a document containing information on the qualifications of the independent directors.	
Supplement to Recommendation 5.2			
1. Company has no shareholder agreements, by-laws provisions, or other arrangements that constrain the directors' ability to vote independently.	Non-compliant	Provide link/reference to a document containing information that directors are not constrained to vote independently.	
Recommendation 5.3			
1. The independent directors serve for a cumulative term of nine years (reckoned from 2012).	Non-compliant	Provide information or link/reference to a document showing the years IDs have served as such.	
2. The company bars an independent director from serving in such capacity after the term limit of nine years.	Non-compliant	Provide information or link/reference to a document containing information on the company's policy on term limits for its independent director	
3. In the instance that the company retains an independent director in the same capacity after nine years, the board provides meritorious justification and seeks shareholders' approval during the annual shareholders' meeting.	Non-compliant	Provide reference to the meritorious justification and proof of shareholders' approval during the annual shareholders' meeting.	
Recommendation 5.4			
1. The positions of Chairman of the Board and Chief Executive Officer are held by separate individuals.	Compliant	Identify the company's Chairman of the Board and Chief Executive Officer	Chairman of the Board: Lina Cortez Laxama President & Chief Executive Officer: Maria Gemma I. Santos
2. The Chairman of the Board and Chief Executive Officer have clearly defined responsibilities.	Complaint	Provide information or link/reference to a document containing information on the	

		<p>roles and responsibilities of the Chairman of the Board and Chief Executive Officer.</p> <p>Identify the relationship of Chairman and CEO.</p>	
Recommendation 5.5			
1. If the Chairman of the Board is not an independent director, the board designates a lead director among the independent directors.	Non-Compliant	<p>Provide information or link/reference to a document containing information on a lead independent director and his roles and responsibilities, if any.</p> <p>Indicate if Chairman is independent.</p>	
Recommendation 5.6			
1. Directors with material interest in a transaction affecting the corporation abstain from taking part in the deliberations on the transaction.	Non-compliant	Provide proof of abstention, if this was the case	
Recommendation 5.7			
1. The non-executive directors (NEDs) have separate periodic meetings with the external auditor and heads of the internal audit, compliance and risk functions, without any executive present.	Non-compliant	<p>Provide proof and details of said meeting, if any.</p> <p>Provide information on the frequency and attendees of meetings.</p>	
2. The meetings are chaired by the lead independent director.	Non-compliant		
Principle 6: The best measure of the Board's effectiveness is through an assessment process. The Board should regularly carry out evaluations to appraise its performance as a body, and assess whether it possesses the right mix of backgrounds and competencies.			
Recommendation 6.1			
1. Board conducts an annual self-assessment of its performance as a whole.	Non-compliant	Provide proof of self-assessments conducted for the whole board, the individual members, the Chairman and the Committees	
2. The Chairman conducts a self-assessment of his performance.	Non-compliant		
3. The individual members conduct a self-assessment of their performance.	Non-compliant		

4. Each committee conducts a self-assessment of its performance.	Non-compliant		
5. Every three years, the assessments are supported by an external facilitator.	Non-compliant	Identify the external facilitator and provide proof of use of an external facilitator.	

Recommendation 6.2

1. Board has in place a system that provides, at the minimum, criteria and process to determine the performance of the Board, individual directors and committees.	Non-compliant	Provide information or link/reference to a document containing information on the system of the company to evaluate the performance of the board, individual directors and committees, including a feedback mechanism from shareholders	
2. The system allows for a feedback mechanism from the shareholders.	Non-compliant		

Principle 7: Members of the Board are duty-bound to apply high ethical standards, taking into account the interests of all stakeholders.

Recommendation 7.1

1. Board adopts a Code of Business Conduct and Ethics, which provide standards for professional and ethical behavior, as well as articulate acceptable and unacceptable conduct and practices in internal and external dealings of the company.	Non-compliant	Provide information on or link/reference to the company's Code of Business Conduct and Ethics.	
2. The Code is properly disseminated to the Board, senior management and employees.	Non-compliant	Provide information on or discuss how the company disseminated the Code to its Board, senior management and employees.	
3. The Code is disclosed and made available to the public through the company website.	Non-compliant	Provide a link to the company's website where the Code of Business Conduct and Ethics is posted/ disclosed.	

Supplement to Recommendation 7.1

1. Company has clear and stringent policies and procedures on curbing and penalizing company involvement in offering, paying and receiving bribes.	Non-compliant	Provide information on or link/reference to a document containing information on the company's policy and procedure on curbing and penalizing bribery	
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Recommendation 7.2

1. Board ensures the proper and efficient implementation and monitoring of compliance with the Code of Business Conduct and Ethics.	Non-compliant	Provide proof of implementation and monitoring of compliance with the Code of Business Conduct and Ethics and internal policies. Indicate who are required to comply with the Code of Business Conduct and Ethics and any findings on non-compliance.	
2. Board ensures the proper and efficient implementation and monitoring of compliance with company internal policies.	Non-compliant		

Disclosure and Transparency

Principle 8: The company should establish corporate disclosure policies and procedures that are practical and in accordance with best practices and regulatory expectations.

Recommendation 8.1

1. Board establishes corporate disclosure policies and procedures to ensure a comprehensive, accurate, reliable and timely report to shareholders and other stakeholders that gives a fair and complete picture of a company's financial condition, results and business operations.	Non-compliant	Provide information on or link/reference to the company's disclosure policies and procedures including reports distributed/made available to shareholders and other stockholders	
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Supplement to Recommendations 8.1

1. Company distributes or makes available annual and quarterly consolidated reports, cash flow statements, and special audit revisions. Consolidated financial statements are published within ninety (90) days from the end of the fiscal year, while interim reports are published within forty-five (45) days from the end of the reporting period.	Compliant	Indicate the number of days within which the consolidated and interim reports were published, distributed or made available from the end of the fiscal year and end of the reporting period, respectively.	
2. Company discloses in its annual report the principal risks associated with the identity of the company's controlling shareholders; the degree of ownership concentration; cross-holdings among company affiliates; and any imbalances between the controlling shareholders' voting power and overall equity position in the company.	Non-compliant	Provide link or reference to the company's annual report where the following are disclosed: <ol style="list-style-type: none"> 1. principal risks to minority shareholders associated with the identity of the company's controlling shareholders; 2. cross-holdings among company affiliates; and 3. any imbalances between the controlling shareholders' voting 	

		power and overall equity position in the company.	
Recommendation 8.2			
1. Company has a policy requiring all directors to disclose/report to the company any dealings in the company's shares within three business days.	Non-compliant	Provide information on or link/reference to the company's policy requiring directors and officers to disclose their dealings in the company's share.	
2. Company has a policy requiring all officers to disclose/report to the company any dealings in the company's shares within three business days.	Non-compliant	Indicate actual dealings of directors involving the corporation's shares including their nature, number/percentage and date of transaction.	
Recommendation 8.3			
1. Board fully discloses all relevant and material information on individual board members to evaluate their experience and qualifications, and assess any potential conflicts of interest that might affect their judgment.	Non-compliant	Provide link or reference to the directors' academic qualifications, share ownership in the company, membership in other boards, other executive positions, professional experiences, expertise and relevant trainings attended.	
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.	Non-compliant	Provide link or reference to the key officers' academic qualifications, share ownership in the company, membership in other boards, other executive positions, professional experiences, expertise and relevant trainings attended.	
Recommendation 8.4			
1. Company provides a clear disclosure of its policies and procedure for setting Board remuneration, including the level and mix of the same.	Non-compliant	Disclose or provide link/reference to the company policy and practice for setting board remuneration	
2. Company provides a clear disclosure of its policies and procedure for setting executive remuneration, including the level and mix of the same.	Non-compliant	Disclose or provide link/reference to the company policy and practice for determining executive remuneration	

3. Company discloses the remuneration on an individual basis, including termination and retirement provisions.	Non-compliant	Provide breakdown of director remuneration and executive compensation, particularly the remuneration of the CEO.	
Recommendation 8.5			
1. Company discloses its policies governing Related Party Transactions (RPTs) and other unusual or infrequently occurring transactions in their Manual on Corporate Governance.	Non-compliant	<p>Disclose or provide reference/link to company's RPT policies</p> <p>Indicate if the director with conflict of interest abstained from the board discussion on that particular transaction.</p>	
2. Company discloses material or significant RPTs reviewed and approved during the year.	Non-compliant	<p>Provide information on all RPTs for the previous year or reference to a document containing the following information on all RPTs:</p> <ol style="list-style-type: none"> 1. name of the related counterparty; 2. relationship with the party; 3. transaction date; 4. type/nature of transaction; 5. amount or contract price; 6. terms of the transaction; 7. rationale for entering into the transaction; 8. the required approval (i.e., names of the board of directors approving, names and percentage of shareholders who approved) based on the company's policy; and 9. other terms and conditions 	

Recommendation 8.6

1. Company makes a full, fair, accurate and timely disclosure to the public of every material fact or event that occur, particularly on the acquisition or disposal of significant assets, which could adversely affect the viability or the interest of its shareholders and other stakeholders.	Non-compliant	Provide link or reference where this is disclosed	
2. Board appoints an independent party to evaluate the fairness of the transaction price on the acquisition or disposal of assets.	Non-compliant	Identify independent party appointed to evaluate the fairness of the transaction price Disclose the rules and procedures for evaluating the fairness of the transaction price, if any.	

Recommendation 8.7

1. Company's corporate governance policies, programs and procedures are contained in its Manual on Corporate Governance (MCG).	Non-compliant	Provide link to the company's website where the Manual on Corporate Governance is posted.	
2. Company's MCG is submitted to the SEC and PSE.	Non-compliant		
3. Company's MCG is posted on its company website.	Non-compliant		

Principle 9: The company should establish standards for the appropriate selection of an external auditor, and exercise effective oversight of the same to strengthen the external auditor's independence and enhance audit quality.

Recommendation 9.1

1. Audit Committee has a robust process for approving and recommending the appointment, reappointment, removal, and fees of the external auditors.	Non-compliant	Provide information or link/reference to a document containing information on the process for approving and recommending the appointment, reappointment, removal and fees of the company's external auditor.	
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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.	Non-compliant	Indicate the percentage of shareholders that ratified the appointment, reappointment, removal and fees of the external auditor.	
3. For removal of the external auditor, the reasons for removal or change are disclosed to the regulators and the public through the company website and required disclosures.	Non-compliant	Provide information on or link/reference to a document containing the company's reason for removal or change of external auditor.	

Recommendation 9.2

1. Audit Committee Charter includes the Audit Committee's responsibility on: <ul style="list-style-type: none"> 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. 	Non-compliant	Provide link/reference to the company's Audit Committee Charter	
2. Audit Committee Charter contains the Committee's responsibility on reviewing and monitoring the external auditor's suitability and effectiveness on an annual basis.	Non-compliant	Provide link/reference to the company's Audit Committee Charter	

Recommendation 9.3

1. Company discloses the nature of non-audit services performed by its external auditor in	Non-compliant	Disclose the nature of non-audit services performed by the external auditor, if any.	
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the Annual Report to deal with the potential conflict of interest.			
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.	Non-compliant	Provide link or reference to guidelines or policies on non-audit services	

Principle 10: The company should ensure that the material and reportable non-financial and sustainability issues are disclosed.

Recommendation 10.1

1. Board has a clear and focused policy on the disclosure of non-financial information, with emphasis on the management of economic, environmental, social and governance (EESG) issues of its business, which underpin sustainability.	Non-compliant	Disclose or provide link on the company's policies and practices on the disclosure of non-financial information, including EESG issues.	
2. Company adopts a globally recognized standard/framework in reporting sustainability and non-financial issues.	Non-compliant	Provide link to Sustainability Report, if any. Disclose the standards used.	

Principle 11: The company should maintain a comprehensive and cost-efficient communication channel for disseminating relevant information. This channel is crucial for informed decision-making by investors, stakeholders and other interested users.

Recommendation 11.1

1. Company has media and analysts' briefings as channels of communication to ensure the timely and accurate dissemination of public, material and relevant information to its shareholders and other investors.	Compliant	Disclose and identify the communication channels used by the company (i.e., website, Analyst's briefing, Media briefings /press conferences, Quarterly reporting, Current reporting, etc.). Provide links, if any.	The company publishes most of its materials through websites, social media accounts and brochure. Company Website https://www.megare.net.ph Company Website: https://www.megare.net.ph
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Internal Control System and Risk Management Framework

<p>Principle 12: To ensure the integrity, transparency and proper governance in the conduct of its affairs, the company should have a strong and effective internal control system and enterprise risk management framework.</p>			
<p>Recommendation 12.1</p>			
1. Company has an adequate and effective internal control system in the conduct of its business.	Compliant	<p>List quality service programs for the internal audit functions.</p> <p>Indicate frequency of review of the internal control system</p>	<p><i>The Internal Audit functions regularly perform audit engagement to test Company Internal control system.</i></p> <p><i>Its claims, policy issuance, and cash management are assessed to ensure that internal controls are in place.</i></p>
2. Company has an adequate and effective enterprise risk management framework in the conduct of its business.	Non Compliant	<p>Identify international framework used for Enterprise Risk Management</p> <p>Provide information or reference to a document containing information on:</p> <ol style="list-style-type: none"> 1. Company's risk management procedures and processes 2. Key risks the company is currently facing 3. How the company manages the key risks <p>Indicate frequency of review of the enterprise risk management framework.</p>	<p>This is set to discuss with the Board.</p>
<p>Recommendation 12.2</p>			
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	<p>Disclose if the internal audit is in-house or outsourced. If outsourced, identify an external firm.</p>	<p>Mega Re has an Internal Consultant.</p>
<p>Recommendation 12.3</p>			
1. Company has a qualified Chief Audit Executive (CAE) appointed by the Board.	Non-compliant	<p>Identify the company's Chief Audit Executive (CAE) and provide</p>	

		information on or reference to a document containing his/her responsibilities.	
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.	Non-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.	Non-compliant	Identify qualified independent executive or senior management personnel, if applicable.	
Recommendation 12.4			
1. Company has a separate risk management function to identify, assess and monitor key risk exposures.	Non-compliant	Provide information on company's risk management function.	
Supplement to Recommendation 12.4			
1. Company seeks external technical support in risk management when such competence is not available internally.	Non-compliant	Identify source of external technical support, if any.	
Recommendation 12.5			
1. In managing the company's Risk Management System, the company has a Chief Risk Officer (CRO), who is the ultimate champion of Enterprise Risk Management (ERM).	Non-compliant	Identify the company's Chief Risk Officer (CRO) and provide information on or reference to a document containing his/her responsibilities and qualifications/background.	
2. CRO has adequate authority, stature, resources and support to fulfill his/her responsibilities.	Non-compliant		

Cultivating a Synergic Relationship with Shareholders

Principle 13: The company should treat all shareholders fairly and equitably, and also recognize, protect and facilitate the exercise of their rights.			
Recommendation 13.1			
1. Board ensures that basic shareholder rights are disclosed in the Manual on Corporate Governance.	Non-compliant	Provide link or reference to the company's Manual on Corporate Governance where shareholders' rights are disclosed.	
2. Board ensures that basic shareholder rights are disclosed on the company's website.	Non-compliant	Provide link to company's website	
Recommendation 13.2			
1. Board encourages active shareholder participation by sending the Notice of Annual and Special Shareholders' Meeting with sufficient and relevant information at least 28 days before the meeting.	Non-compliant	<p>Indicate the number of days before the annual stockholders' meeting or special stockholders' meeting when the notice and agenda were sent out</p> <p>Indicate whether shareholders' approval of remuneration or any changes therein were included in the agenda of the meeting.</p> <p>Provide link to the Agenda included in the company's Information Statement (SEC Form 20-IS)</p>	
Recommendation 13.3			
1. Board encourages active shareholder participation by making the result of the votes taken during the most recent Annual or Special Shareholders' Meeting publicly available the next working day.	Non-compliant	Provide information or reference to a document containing information on all relevant questions raised and answers during the ASM and special meeting and the results of the vote taken during the most recent ASM/SSM.	
2. Minutes of the Annual and Special Shareholders' Meetings were available on the company website within five business days from the end of the meeting.	Non-compliant	<p>Provide link to minutes of meeting in the company website.</p> <p>Indicate voting results for all agenda items, including the approving, dissenting and abstaining votes.</p>	

		<p>Indicate also if the voting on resolutions was by poll.</p> <p>Include whether there was opportunity to ask question and the answers given, if any</p>	
Recommendation 13.4			
1. Board makes available, at the option of a shareholder, an alternative dispute mechanism to resolve intra-corporate disputes in an amicable and effective manner.	Non-compliant	Provide details of the alternative dispute resolution made available to resolve intra-corporate disputes	
2. The alternative dispute mechanism is included in the company's Manual on Corporate Governance.	Non-compliant	Provide link/reference to where it is found in the Manual on Corporate Governance	
Recommendation 13.5			
1. Board establishes an Investor Relations Office (IRO) to ensure constant engagement with its shareholders.	Non-compliant	<p>Disclose the contact details of the officer/office responsible for investor relations, such as:</p> <ol style="list-style-type: none"> 1. Name of the person 2. Telephone number 3. Fax number 4. E-mail address 	
2. IRO is present at every shareholder's meeting.	Non-compliant	Indicate if the IRO was present during the ASM.	
Duties to Stakeholders			
<p>Principle 14: The rights of stakeholders established by law, by contractual relations and through voluntary commitments must be respected. Where stakeholders' rights and/or interests are at stake, stakeholders should have the opportunity to obtain prompt effective redress for the violation of their rights.</p>			
Recommendation 14.1			
1. Board identifies the company's various stakeholders and promotes cooperation	Non-compliant	Identify the company's shareholder and provide information or reference	

between them and the company in creating wealth, growth and sustainability.		to a document containing information on the company's policies and programs for its stakeholders.	
Recommendation 14.2			
1. Board establishes clear policies and programs to provide a mechanism on the fair treatment and protection of stakeholders.	Non-compliant	Identify policies and programs for the protection and fair treatment of company's stakeholders	
Recommendation 14.3			
1. Board adopts a transparent framework and process that allow stakeholders to communicate with the company and to obtain redress for the violation of their rights.	Non-compliant	Provide the contact details (i.e., name of contact person, dedicated phone number or e-mail address, etc.) which stakeholders can use to voice their concerns and/or complaints for possible violation of their rights. Provide information on whistleblowing policy, practices and procedures for stakeholders	
Principle 15: A mechanism for employee participation should be developed to create a symbiotic environment, realize the company's goals and participate in its corporate governance processes.			
Recommendation 15.1			
1. Board establishes policies, programs and procedures that encourage employees to actively participate in the realization of the company's goals and in its governance.	Non Compliant	Provide information on or link/reference to company policies, programs and procedures that encourage employee participation.	Employee Code of Conduct in Progress
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.	Non Compliant	Identify or provide link/reference to the company's policies, programs and practices on anti-corruption	Employee Code of Conduct in Progress

2. Board disseminates the policy and program to employees across the organization through trainings to embed them in the company's culture.	Non Compliant	Identify how the board disseminated the policy and program to employees across the organization	Employee Code of Conduct in Progress
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	Non-compliant	<p>Disclose or provide link/reference to the company whistle-blowing policy and procedure for employees.</p> <p>Indicate if the framework includes procedures to protect the employees from retaliation.</p> <p>Provide contact details to report any illegal or unethical behavior.</p>	Employee Code of Conduct in Progress
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.	Non-compliant		
3. Board supervises and ensures the enforcement of the whistleblowing framework.	Non-compliant	Provide information on how the board supervised and ensured enforcement of the whistleblowing framework, including any incident of whistleblowing.	
<p>Principle 16: The company should be socially responsible in all its dealings with the communities where it operates. It should ensure that its interactions serve its environment and stakeholders in a positive and progressive manner that is fully supportive of its comprehensive and balanced development.</p>			
Recommendation 16.1			
1. Company recognizes and places importance on the interdependence between business and society, and promotes a mutually beneficial relationship that allows the company to grow its business, while contributing to the advancement of the society where it operates.	Compliant	<p>Provide information or reference to a document containing information on the company's community involvement and environment-related programs.</p>	<p>Please see our clients on the website.</p> <p>https://www.megare.ent.ph</p>

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 our own personal knowledge and/or base authentic records.

Signed in the City of Makati on _____


LINA C. LAXAMANA

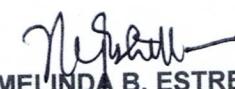
CHAIRMAN OF THE BOARD
Signature over printed name


MARIA GEMMA I. SANTOS

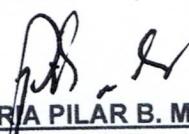
PRESIDENT/CEO
Signature over printed name


ATTY. FLORENTINO H. GARCES

CORPORATE SECRETARY
Signature over printed name


MELINDA B. ESTRELLA

COMPLIANCE OFFICER
Signature over printed name


MARIA PILAR B. MERCADO

INDEPENDENT DIRECTOR
Signature over printed name

SUBSCRIBED AND SWORN to before me this MAY 27 2025 day of May, 2025. By the following who are personally known to me (or whom I have identified through the competent evidence of identity) and who are exhibited to me their respective identification document as follows:

NAME	ID NO.	DATE/PLACE ISSUED
1. Lina C. Laxamana	TIN: 214-211-349-000	Makati City
2. Atty. Florentino H. Garces	Driver's License N03-94-157872	10/16/2032/Cainta Rizal
3. Maria Gemma I. Santos	TIN: 127-563-022-000	Makati City
4. Maria Pilar B. Mercado	TIN: 301-363-935-000	Makati City
5. Melinda B. Estrella	TIN: 302-791-843-000	March 10, 2016/Manila

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Book No. 84;
Series No. 1115;


ATTY. JOSHUA P. LAPUZ
Notary Public Makati City
Until Dec 31 2025
Appointment No. M-01G-(2024-2025)
PTR No. 1M89707 Jan. 2, 2024 Makati
IBP License No. 1M897 Reg. No. 45790
MCLE Complaint No. 1M8016970
Valid until April 14, 2026
G/F Fedmca, Bldg. 199 Salcedo St.
Legaspi Village, Makati City