MEGA RE INTERNATIONAL, INC.

PLEASE SIGN & RETURN THIS COPY

24 June 2026

HON. REYNALDO A. REGALADO
Insurance Commissioner
Insurance Commission
1071 United Nations Avenue
Ermita, Manila

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 2025.

We hope that you find everything in order.

Very truly yours,

MARIA GEMMA I. SANTOS
President & Chief Executive Officer

INSURANCE COMMISSION
ADMINISTRATIVE DIVISION
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ANNUAL CORPORATE GOVERNANCE REPORT

MEGA RE INTERNATIONAL, INC.

1. For the fiscal year ended **31 DECEMBER 2025**
2. Certificate Authority Number **RB-03-2025-R**
3. **PHILIPPINES**
   Province, Country or other jurisdiction of incorporation or organization
4. **Room 906, 9/f Cityland Condo 10 Tower II, 6817 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			
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.			
Recommendation 1.1			
1. Board is composed of directors with collective working knowledge, experience or expertise that is relevant to the company's industry/sector.	Compliant	The Board has six (6) members and one (1) chairman of the board with expertise in the field of insurance business, insurance regulation, economics, and law All members of the Board have all the qualifications based on. experience, education, and character which are relevant to the insurance business and possess none of the disqualifications. Please click link below for Board of Director Charter. https://megare.net.ph/wp-content/uploads/2026/01/Board-of-Directors-Charter.pdf	
2. Board has an appropriate mix of competence and expertise.	Compliant		
3. Directors remain qualified for their positions individually and collectively to enable them to fulfill their roles and responsibilities and respond to the needs of the organization.	Compliant		
Recommendation 1.2			
1. Board is composed of a majority of non-executive directors.	Compliant	Reference: General Information Sheet https://www.megare.net.ph	
Recommendation 1.3			
1. Company provides in its Board Charter and Manual on Corporate Governance a policy on training of directors.	Compliant	https://megare.net.ph/wp-content/uploads/2026/05/CORPORATE-GOVERNANCE-MANUAL-2026.pdf	

2. Company has an orientation program for first time directors.	Non-compliant		The board will consider this recommendation
3. Company has relevant annual continuing training for all directors.	Non-compliant		The board will consider this recommendation
Recommendation 1.4			
1. Board has a policy on board diversity.	Compliant	https://megare.net.ph/wp-content/uploads/2026/01/Board-Diversity-Policy.pdf	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 4 female and 3 male.
Recommendation 1.3			
1. Board is assisted by a Corporate Secretary.	Compliant	The Corporate Secretary assisted the Board of Directors. The Corporate Secretary is separate individual from the Compliance Officer. The Corporate Secretary is part of Board of Directors.	
2. Corporate Secretary is a separate individual from the Compliance Officer.	Compliant		
3. Corporate Secretary is not a member of the Board of Directors.	Non-compliant		
Recommendation 1.6			
1. The board is assisted in its duties by a Compliance Officer.	Compliant	The Corporate Governance Manual provides that the Compliance Officer shall assist the board in its duties. https://megare.net.ph/wp-content/uploads/2026/03/2026GIS.pdf	
2. Compliance Officer has a rank of Senior Vice President or an equivalent position with adequate stature and authority in the corporation.	Compliant		Ms. Jacquelyn Pasay is the Vice President Operation and Compliance Officer of Mega Re.
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.
4. Compliance Officer attends training/s on corporate governance.	Non - Compliant		The board will consider this recommendation

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	https://megare.net.ph/wp-content/uploads/2026/01/2024-MINUTES-OF-THE-ANNUAL-MEETING-OF-STOCKHOLDERS.pdf	
Recommendation 2.2			
1. Board oversees the development, review and approval of the company's business objectives and strategy.	Compliant	https://megare.net.ph/wp-content/uploads/2	
2. Board oversees and monitors the implementation of the company's business objectives and strategy.	Compliant	https://megare.net.ph/wp-content/uploads/2026/01/Board-of-Directors-Charter.pdf	
Recommendation 2.3			
1. Board is headed by a competent and qualified Chairperson.	Compliant		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.	Compliant	https://megare.net.ph/wp-content/uploads/2026/01/Commitee-Nomination-Charter.pdf	
2. Board adopts a policy on the retirement for directors and key officers.	Non-Compliant		The board will consider this recommendation.
Recommendation 2.5			
1. Board aligns the remuneration of key officers and board members with long-term interests of the company.	Compliant	https://megare.net.ph/?page_id=12#1769071305792-0a8a5dd3-97af	
2. Board adopts a policy specifying the relationship between remuneration and performance.	Compliant		

3. Directors do not participate in discussions or deliberations involving his/her own remuneration.	Compliant	https://megare.net.ph/wp-content/uploads/2026/01/Remuneration-Commite-Charter.pdf	
Recommendation 2.6			
1. Board has a formal and transparent board nomination and election policy.	Compliant	https://megare.net.ph/wp-content/uploads/2026/01/Commitee-Nomination-Charter.pdf https://megare.net.ph/wp-content/uploads/2026/05/CORPORATE-GOVERNANCE-MANUAL-2026.pdf https://megare.net.ph/wp-content/uploads/2026/01/Commitee-Nomination-Charter.pdf https://megare.net.ph/wp-content/uploads/2026/05/CORPORATE-GOVERNANCE-MANUAL-2026.pdf	.
2. Board nomination and election policy is disclosed in the company's Manual on Corporate Governance.	Compliant		.
3. Board nomination and election policy includes how the company accepted nominations from minority shareholders.	Compliant		
4. Board nomination and election policy includes how the board shortlists candidates.	Compliant		
5. Board nomination and election policy includes an assessment of the effectiveness of the Board's processes in the nomination, election or replacement of a director.	Compliant		
6. Board has a process for identifying the quality of directors that is aligned with the strategic direction of the company.	Compliant		
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.	Compliant	https://megare.net.ph/?page_id=12#1769072303025-081b9fdb-d415	
2. RPT policy includes appropriate review and approval of material RPTs, which guarantee fairness and transparency of the transactions.	Compliant		

3. RPT policy encompasses all entities within the group, taking into account their size, structure, risk profile and complexity of operations.	Compliant	https://megare.net.ph/wp-content/uploads/2026/01/Related-Party-Transactions-Policy.pdf	
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	https://megare.net.ph/wp-content/uploads/2026/01/Board-of-Directors-Charter.pdf https://megare.net.ph/wp-content/uploads/2026/01/Commitee-Nomination-Charter.pdf	
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	https://megare.net.ph/wp-content/uploads/2026/01/Board-of-Directors-Charter.pdf	
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	https://megare.net.ph/wp-content/uploads/2026/05/CORPORATE-GOVERNANCE-MANUAL-2026.pdf https://megare.net.ph/wp-content/uploads/2026/01/Board-of-Directors-Charter.pdf	
2. Board establishes an effective performance management framework that ensures that personnel's performance is at par with the standards set by the Board and Senior Management.	Compliant		
Recommendation 2.10			

1. Board oversees that an appropriate internal control system is in place.	Compliant	https://megare.net.ph/wp-content/uploads/2026/05/CORPORATE-GOVERNANCE-MANUAL-2026.pdf	
2. The internal control system includes a mechanism for monitoring and managing potential conflict of interest of the Management, members and shareholders.	Compliant	https://megare.net.ph/wp-content/uploads/2026/01/Board-of-Directors-Charter.pdf https://megare.net.ph/wp-content/uploads/2026/01/Audit-Committee-Charter.pdf https://megare.net.ph/wp-content/uploads/2026/05/CORPORATE-GOVERNANCE-MANUAL-2026.pdf	
3. Board approves the Internal Audit Charter.	Compliant	https://megare.net.ph/wp-content/uploads/2026/01/Audit-Committee-Charter.pdf	
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		The board will consider this recommendation
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		The board will consider this recommendation
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.	compliant	https://megare.net.ph/wp-content/uploads/2026/01/Board-of-Directors-Charter.pdf	
2. Board Charter serves as a guide to the directors in the performance of their functions.	Compliant		

3. Board Charter is publicly available and posted on the company's website.	Compliant	www.megare.net.ph	
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-Compliant		The company is small and does not have board committees. It will be considered once the company expand.
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.	Non-Compliant		The company is small and does not have Audit Committee. But the company has an Audit consultant to ensure the financial reporting and audit process.
2. Audit Committee is composed of at least three appropriately qualified non-executive directors, the majority of whom, including the Chairman is independent.	Non - Compliant		This will be considered once the company expand.
3. All the members of the committee have relevant background, knowledge, skills, and/or experience in the areas of accounting, auditing and finance.	Non- Compliant		This will be considered once the company expand.
4. The Chairman of the Audit Committee is not the Chairman of the Board or of any other committee.	Compliant	https://megare.net.ph/wp-content/uploads/2026/03/2026GIS.pdf	There is no Audit Committee but there is an Internal Consultant. A separate individual of Chairman of the Board and Audit Consultant.
Recommendation 3.3 **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	Non-compliant		The company is small to have Corporate Governance Committee. This will be considered once the company expand.

formerly assigned to a Nomination and Remuneration Committee.			
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.	This will be considered once the company expands.
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.	This will be considered once the company expands.
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-Compliant		This will be considered once the company expands.
2. BROC is composed of at least three members, the majority of whom should be independent directors, including the Chairman.	Non-compliant		This will be considered once the company expands.
3. The Chairman of the BROC is not the Chairman of the Board or of any other committee.	Non-compliant		This will be considered once the company expands.
4. At least one member of the BROC has relevant thorough knowledge and experience on risk and risk management.	Non-compliant		This will be considered once the company expands.
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		This will be considered once the company expands.
2. RPT Committee is composed of at least three non-executive directors, two of whom should be independent, including the Chairman.	Non-compliant		This will be considered once the company expands.

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	https://megare.net.ph/?page_id=12#1769070876509-4274e4ab-afcf	This will be considered once the company expands. But the company ready the Committee Charter.
2. Committee Charters provide standards for evaluating the performance of the Committees.	Compliant		The company create Committee Charters for future, if company expands and establishes it's committees.
3. Committee Charters were fully disclosed on the company's website.	Compliant	https://megare.net.ph/wp-content/uploads/2026/01/Board-of-Directors-Charter.pdf https://megare.net.ph/wp-content/uploads/2026/01/Audit-Committee-Charter.pdf https://megare.net.ph/wp-content/uploads/2026/01/Commitee-Nomination-Charter.pdf https://megare.net.ph/wp-content/uploads/2026/01/Risk-Oversight-Committe-Charter.pdf https://megare.net.ph/wp-content/uploads/2026/01/Remuneration-Commite-Charter.pdf	
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	Compliant		By-Laws, Minutes of Annual & Special Meeting

shareholders in person or through tele-/videoconferencing conducted in accordance with the rules and regulations of the Commission.			
2. The directors review meeting materials for all Board and Committee meetings.	Compliant		By-Laws, Special & Annual Meeting
3. The directors ask the necessary questions or seek clarifications and explanations during the Board and Committee meetings.	Compliant		Minutes of Meeting
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.	Compliant	https://megare.net.ph/wp-content/uploads/2026/05/CORPORATE-GOVERNANCE-MANUAL-2026.pdf	
Recommendation 4.3			
1. The directors notify the company's board before accepting directorship in another company.	Non-Compliant		No situation yet occurred.
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		The board establishing for qualified two (2) Independent Directors.
Recommendation 5.2			
1. The independent directors possess all the qualifications and none of the disqualifications to hold the positions.	Non-compliant		The board establishing for qualifies two (2) Independent Directors.
Recommendation 5.3			
1. The independent directors serve for a cumulative term of nine years (reckoned from 2012).	Non-compliant		The board establishing for the completion of the Independent Directors
2. The company bars an independent director from serving in such capacity after the term limit of nine years.	Non-compliant		The board establishing for the completion of the Independent Directors.
3. In the instance that the company retains an independent director in the same capacity after nine years, the board provides meritorious	Non-compliant		The board establishing for the completion of the Independent Directors.

justification and seeks 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	https://megare.net.ph/wp-content/uploads/2026/03/2026GIS.pdf	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	https://megare.net.ph/wp-content/uploads/2026/01/Board-of-Directors-Charter.pdf	
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.	Compliant		The Chairman is not Independent Director nor CEO.
Recommendation 5.6			
1. Directors with material interest in a transaction affecting the corporation abstain from taking part in the deliberations on the transaction.	Compliant	No director has material interest in a transaction affecting the corporation.	
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		That is not applicable to our company. Our company is small for such meeting.
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		The board will consider this recommendation

2. The Chairman conducts a self-assessment of his performance.	Non-Compliant		The board will consider this recommendation
3. The individual members conduct a self-assessment of their performance.	Non-Compliant		The board will consider this recommendation
4. Each committee conducts a self-assessment of its performance.	Non-Compliant		The board will consider this recommendation
5. Every three years, the assessments are supported by an external facilitator.	Non-compliant		The board will consider this recommendation
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.	Compliant	SECTION 12. ANNUAL PERFORMANCE EVALUATION OF THE BOARD and KEY OFFICERS https://megare.net.ph/wp-content/uploads/2026/01/Board-of-Directors-Charter.pdf	
2. The system allows for a feedback mechanism from the shareholders.	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.	Compliant	https://megare.net.ph/wp-content/uploads/2026/01/Anti-Bribery-Policy.pdf	
2. The Code is properly disseminated to the Board, senior management and employees.	Compliant	.https://megare.net.ph/wp-content/uploads/2026/01/Anti-Bribery-Policy.pdf	
3. The Code is disclosed and made available to the public through the company website.	Compliant	https://megare.net.ph/wp-content/uploads/2026/01/Anti-Bribery-Policy.pdf	
Recommendation 7.2			

1. Board ensures the proper and efficient implementation and monitoring of compliance with the Code of Business Conduct and Ethics.	Compliant	https://megare.net.ph/wp-content/uploads/2026/01/Anti-Bribery-Policy.pdf	
2. Board ensures the proper and efficient implementation and monitoring of compliance with company internal policies.	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.	Compliant	https://megare.net.ph/wp-content/uploads/2026/05/CORPORATE-GOVERNANCE-MANUAL-2026.pdf	
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		The Board Profile is currently under enhancing.
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		The Board Profile is currently under enhancing.
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.	Compliant	https://megare.net.ph/wp-content/uploads/2026/01/Remuneration-Commite-Charter.pdf	
2. Company provides a clear disclosure of its policies and procedure for setting executive remuneration, including the level and mix of the same.	Compliant	https://megare.net.ph/wp-content/uploads/2026/01/Remuneration-Commite-Charter.pdf	

3. Company discloses the remuneration on an individual basis, including termination and retirement provisions.	Non-compliant	Non-disclosure due to confidentiality	
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.	Compliant	https://megare.net.ph/wp-content/uploads/2026/01/Related-Party-Transactions-Policy.pdf https://megare.net.ph/wp-content/uploads/2026/01/Board-of-Directors-Charter.pdf https://megare.net.ph/wp-content/uploads/2026/05/CORPORATE-GOVERNANCE-MANUAL-2026.pdf	
2. Company discloses material or significant RPTs reviewed and approved during the year.	Non-compliant	No RPT material	
Recommendation 8.7			
1. Company's corporate governance policies, programs and procedures are contained in its Manual on Corporate Governance (MCG).	Compliant	https://megare.net.ph/wp-content/uploads/2026/05/CORPORATE-GOVERNANCE-MANUAL-2026.pdf https://megare.net.ph/wp-content/uploads/2026/05/CORPORATE-GOVERNANCE-MANUAL-2026.pdf www.megare.net.ph	
2. Company's MCG is posted on its company website.	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.	Compliant	https://megare.net.ph/wp-content/uploads/2026/01/Audit-Committee-Charter.pdf	The company ready the Audit Committee Charter in the event the company will expand.
2. The appointment, reappointment, removal, and fees of the external auditor is recommended by the Audit Committee, approved by the Board and ratified by the shareholders.	Compliant	https://megare.net.ph/wp-content/uploads/2026/01/Audit-Committee-Charter.pdf	
3. For removal of the external auditor, the reasons for removal or change are disclosed to the regulators and the public through the company website and required disclosures.	Compliant	No occurrence yet of such instance that the Company changed or removed the external auditor.	
Recommendation 9.2			
1. Audit Committee Charter includes the Audit Committee's responsibility on: i. assessing the integrity and independence of external auditors; ii. exercising effective oversight to review and monitor the external auditor's independence and objectivity; and iii. exercising effective oversight to review and monitor the effectiveness of the audit process, taking into consideration relevant Philippine professional and regulatory requirements.	Compliant	https://megare.net.ph/wp-content/uploads/2026/01/Audit-Committee-Charter.pdf	

2. Audit Committee Charter contains the Committee's responsibility on reviewing and monitoring the external auditor's suitability and effectiveness on an annual basis.	compliant	https://megare.net.ph/wp-content/uploads/2026/01/Audit-Committee-Charter.pdf	
Recommendation 9.3			
1. Company discloses the nature of non-audit services performed by its external auditor in the Annual Report to deal with the potential conflict of interest.	Compliant	No non-audit services are performed by the External Auditor.	
2. Audit Committee stays alert for any potential conflict of interest situations, given the guidelines or policies on non-audit services, which could be viewed as impairing the external auditor's objectivity.	compliant	https://megare.net.ph/wp-content/uploads/2026/01/Audit-Committee-Charter.pdf	
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.	compliant	https://megare.net.ph/wp-content/uploads/2026/05/CORPORATE-GOVERNANCE-MANUAL-2026.pdf	
2. Company adopts a globally recognized standard/framework in reporting sustainability and non-financial issues.	Non-compliant		Recommendation is under consideration by the Company

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		The company publishes most of its materials through websites, social media accounts and brochures. Company Website https://www.megare.net.ph
Internal Control System and Risk Management Framework			
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.			
Recommendation 12.1			
1. Company has an adequate and effective internal control system in the conduct of its business.	Compliant	https://megare.net.ph/wp-content/uploads/2026/05/CORPORATE-GOVERNANCE-MANUAL-2026.pdf	
2. Company has an adequate and effective enterprise risk management framework in the conduct of its business.	Compliant	https://megare.net.ph/wp-content/uploads/2026/05/CORPORATE-GOVERNANCE-MANUAL-2026.pdf	
Recommendation 12.2			
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	https://megare.net.ph/wp-content/uploads/2026/01/Audit-Committee-Charter.pdf	Mega Re has an Internal Audit Consultant.
Recommendation 12.3			
1. Company has a qualified Chief Audit Executive (CAE) appointed by the Board.	Non-compliant		This will be considered once the company expands.
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		This will be considered once the company expands.

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		Mega Re has an Internal Audit Consultant.
Recommendation 12.4			
1. Company has a separate risk management function to identify, assess and monitor key risk exposures.	Non-compliant		The company ready the Risk Oversight CThis will be considered once the company expand.
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		The company ready the Risk Oversight CThis will be considered once the company expand.
2. CRO has adequate authority, stature, resources and support to fulfill his/her responsibilities.	Non-compliant		The company ready the Risk Oversight CThis will be considered once the company expand.
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.	Compliant	https://megare.net.ph/wp-content/uploads/2026/05/CORPORATE-GOVERNANCE-MANUAL-2026.pdf	
2. Board ensures that basic shareholder rights are disclosed on the company's website.	Compliant	https://megare.net.ph/wp-content/uploads/2026/05/CORPORATE-GOVERNANCE-MANUAL-2026.pdf	

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.	Compliant	The Corporate Secretary sent the notices at least ten (10) days before the date of annual meeting. The by-laws expressly mandates that the notices of meeting shall be served within a period of five (5) days.	
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	Minutes of 2025 Annual meeting is for uploading to company website.	
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	Minutes of 2025 Annual meeting is for uploading to company website	
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	The Company will include the alternate dispute mechanism in the company's Corporate Governance Manual.	
2. The alternative dispute mechanism is included in the company's Manual on Corporate Governance.	Non-compliant	The Company will include the alternate dispute mechanism in the company's Corporate Governance Manual.	
Duties to Stakeholders			
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.			
Recommendation 14.1			

1. Board identifies the company's various stakeholders and promotes cooperation between them and the company in creating wealth, growth and sustainability.	Compliant	https://megare.net.ph/wp-content/uploads/2026/05/CORPORATE-GOVERNANCE-MANUAL-2026.pdf	
Recommendation 14.2			
1. Board establishes clear policies and programs to provide a mechanism on the fair treatment and protection of stakeholders.	Compliant	https://megare.net.ph/wp-content/uploads/2026/05/CORPORATE-GOVERNANCE-MANUAL-2026.pdf	
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.	Compliant	https://megare.net.ph/wp-content/uploads/2026/01/Anti-Bribery-Policy.pdf	
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.	Compliant	https://megare.net.ph/wp-content/uploads/2026/05/CORPORATE-GOVERNANCE-MANUAL-2026.pdf https://megare.net.ph/wp-content/uploads/2026/01/Sustainability-Report.pdf	
Recommendation 15.2			
1. Board sets the tone and makes a stand against corrupt practices by adopting an anti-corruption policy and program in its Code of Conduct.	Compliant	https://megare.net.ph/wp-content/uploads/2026/01/Anti-Bribery-Policy.pdf	

2. Board disseminates the policy and program to employees across the organization through trainings to embed them in the company's culture.	Compliant	https://megare.net.ph/wp-content/uploads/2026/01/Anti-Bribery-Policy.pdf	
Recommendation 15.3			
1. Board establishes a suitable framework for whistleblowing that allows employees to freely communicate their concerns about illegal or unethical practices, without fear of retaliation	Compliant		In 2025, no reported or any illegal or unethical practices committed by employees, officers or directors.
2. Board establishes a suitable framework for whistleblowing that allows employees to have direct access to an independent member of the Board or a unit created to handle whistleblowing concerns.	Compliant	https://megare.net.ph/wp-content/uploads/2026/01/Whistle-Blowing-Policy.pdf	
3. Board supervises and ensures the enforcement of the whistleblowing framework.	Compliant	https://megare.net.ph/wp-content/uploads/2026/05/CORPORATE-GOVERNANCE-MANUAL-2026.pdf	
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.			
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	https://megare.net.ph/wp-content/uploads/2026/01/Sustainability-Report.pdf https://megare.net.ph/wp-content/uploads/2026/05/CORPORATE-GOVERNANCE-MANUAL-2026.pdf	

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 JUN 2 3 2026

[redacted]

LINA C. LAXAMANA
CHAIRMAN OF THE BOARD
Signature over printed name

[redacted]

MARIA GEMMA I. SANTOS
PRESIDENT&CEO
Signature over printed name

[redacted]

ATTY. FLORENTINO H. GARCES
CORPORATE SECRETARY
Signature over printed name

[redacted]

JACQUELYN PASAY
COMPLIANCE OFFICER
Signature over printed name

[redacted]

MARIA PILAR B. MERCADO
INDEPENDENT DIRECTOR
Signature over printed name

JUN 2 3 2026

SUBSCRIBED AND SWORN to before me this ______ day of _______, 2026. 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. Jacquelyn Pasay	TIN: 222-774-907-000	Manila

Doc. No. 333;
Page No. 68;
Book No. 41;
Series No. 2026;

ATTY. ROMEO M. MONFORT
Notary Public City of Makati
Until December 31, 2027
Appointment No. M-029 (2026-2027)
PTR No. 10765527 Jan. 3, 2026 at Makati City
Jan. 5, 2026 Makati City
IBP No. 557367 issued on November 3, 2025
MCLE NO. VIII-0040638 Roll No. 27932
Amorsolo Street, Legaspi Village
Makati City