

ANNUAL CORPORATE GOVERNANCE REPORT OF

RAROCO Insurance Brokers, Inc.
(Name of Company)

1. For the fiscal year ended 2024
2. Certificate Authority Number IB-42-2025-R
3. Philippines
Province, Country or other jurisdiction of incorporation or organization
4. Room 608 Ferros Bel-Air Tower, 30 Polaris St. corner Felipe St., Makati City
Address of principal office Postal Code: 1209
5. +632-8896-0497
Company's telephone number, including area code
6. www.rarocoinsurance.ph
Company's official website
7. _____
Former name, former address, and former fiscal year, if changed since last report.



[Signature]
Entico D. Cleofas
Insurance Commission - Admin.
Records - Receiving

**RAROCO INSURANCE BROKERS INC.
ANNUAL CORPORATE GOVERNANCE REPORT 2024**

RAROCO INSURANCE BROKERS INC. is a family-owned corporation founded by Ramon A. Roco and is now being run by second generation family member Marie Denise Roco-De Leon. The Board is composed mostly of family members, nuclear and extended family of its founder which means most of the directors are holding executive positions at the same time. The operation, while catering to diverse insurance products is not complex hence, governance and compliance are maintained by the same set of executives and the Board as a body.

The Board's Governance Responsibilities

	COMPLIANT/NON-COMPLIANT	ADDITIONAL INFORMATION	EXPLANATION
<p>Principle 1: The company should be headed by a competent, working board to foster the long-term success and sustainability of the corporation 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>			
<p>1. Board is composed of directors with collective working knowledge, experience or expertise that is relevant to the company's industry/sector.</p>	<p>COMPLIANT</p>	<p>The academic qualifications, industry knowledge, professional experience of the board of directors can be found in the company website. https://rarocoinsurance.ph/our-story/ https://rarocoinsurance.ph/corporate-governance/</p>	
<p>2. Board has an appropriate mix of competence and expertise.</p>	<p>COMPLIANT</p>		
<p>3. Directors remain qualified for their positions individually and collectively</p>	<p>COMPLIANT</p>		
<p>Recommendation 1.2</p>			
<p>1. Board is composed of a majority of non-executive directors.</p>	<p>NON-COMPLIANT</p>	<p>The board is composed of family members, nuclear and extended family of its founder, Ramon A. Roco which makes them working board directors. https://rarocoinsurance.ph/our-story/</p>	

<p>Recommendation 1.3</p> <p>1. Company provides in its Board Charter or Manual on Corporate Governance a policy on training of directors.</p>	<p>COMPLIANT</p>	<p>The training for directors is defined in the Manual of Corporate Governance under Article 7: https://rarocoinsurance.ph/corporate-governance/</p>	
<p>2. Company provides in its Board Charter or Manual on Corporate Governance an orientation program for first time directors.</p>	<p>COMPLIANT</p>	<p>The Company provides in its Manual on Corporate Governance (MCG) an orientation program for first time directors: https://rarocoinsurance.ph/corporate-governance/</p>	
<p>3. Company has relevant annual continuing training for all directors.</p>	<p>COMPLIANT</p>	<p>The Company registered its compliance officer in SEC/IC accredited institution, Center for Global Best Practices, in the "Awareness Training and Updates on AMLA" seminar. She attended the training last April 29, 2025. She also completed the training "2019 Revised Corporate Code of the Philippines" last March 15, 2024. (See certificate in: https://rarocoinsurance.ph/corporate-governance/)</p> <p>See outline and attendance of the other Board Members in the continuing training conducted by our compliance officer last May 21, 2025.</p>	
<p>Recommendation 1.4</p>			
<p>1. Board has a policy on board diversity.</p>	<p>COMPLIANT</p>	<p>The company shall attempt, as much as possible, to have board diversity in terms of gender, age, experience, knowledge and skill sets to ensure that optimal decision making is achieved. This policy is found in Article 4A of the MCG.</p> <p>The current composition of the Board is four (4) males and four (5) females. https://rarocoinsurance.ph/our-story/ https://rarocoinsurance.ph/corporate-governance/</p>	
<p>Recommendation 1.5</p>			
<p>1. Board is assisted in its duties by a Corporate Secretary.</p>	<p>COMPLIANT</p>	<p>The qualifications and duties of the Corporate Secretary is defined in the Manual of Corporate Governance.</p>	

2. Corporate Secretary is a separate individual from the Compliance Officer.	COMPLIANT	The Corporate Secretary is Erna Rovera Santiago and she is a shareholder and member of the Board.	
3. Corporate Secretary is not a member of the Board of Directors.	NON-COMPLIANT	https://rarocoinsurance.ph/our-story/	
4. Corporate Secretary attends training/s on corporate governance.	COMPLIANT	Our Corporate Secretary, will attend the training "MASTERCLASS IN WRITING MINUTES OF MEETINGS" scheduled on August 26 & 27, 2025. She attended the continuing training under our compliance officer last May 21, 2025. See outline and her certificate of attendance.	
Recommendation 1.6			
1. Board is assisted by a Compliance Officer.	COMPLIANT	The qualifications and duties of the Corporate Secretary is defined in the Manual of Corporate Governance.	Due to the limited scale of operations, the President was designated as the Compliance Officer.
2. Compliance Officer has a rank of Vice President or an equivalent position with adequate stature and authority in the corporation.	COMPLIANT	Marie Denise Roco-De Leon, President and Compliance Officer https://rarocoinsurance.ph/corporate-governance/	
3. Compliance Officer is not a member of the Board.	NON-COMPLIANT		
4. Compliance Officer attends training/s on corporate governance annually.	COMPLIANT	Our compliance officer has completed the training entitled "2019 Revised Corporate Code of the Philippines". She attended the training last March 15, 2024" under the Center for Global Best Practices. She is enrolled to attend the CGBP seminar "Board Director's Guide for Audit Committees" scheduled on July 9, 2025. See her certificate: https://rarocoinsurance.ph/corporate-governance/	

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

<p>1. Directors act on a fully informed basis, in good faith, with due diligence and care, and in the best interest of the company.</p>	<p>COMPLIANT</p>	<p>The duties and responsibilities of the Directors are defined in the By-Laws and the Manual of Corporate Governance. See board minutes and board resolutions: https://rarocoinsurance.ph/corporate-governance/</p>	
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Recommendation 2.2

<p>1. Board oversees the development, review and approval of the company's business objectives and strategy.</p>	<p>COMPLIANT</p>	<p>The directors performed their duties as reflected in our board resolutions and board minutes. See link on our board resolutions: https://rarocoinsurance.ph/corporate-governance/</p>	
<p>2. Board oversees and monitors the implementation of the company's business objectives and strategy in order to sustain the company's long-term viability and strength.</p>	<p>COMPLIANT</p>	<p>Our most recent strategic planning was conducted last Jan. 23, Feb. 17 and Feb. 20 last 2023 by our President. See strategic planning pics with management in: https://rarocoinsurance.ph/corporate-governance/</p>	

Recommendation 2.3

<p>1. Board is headed by a competent and qualified Chairperson.</p>	<p>COMPLIANT</p>	<p>The information on the Chairperson, including his name and qualifications is disclosed in the company website. https://rarocoinsurance.ph/about-us/</p>	
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Recommendation 2.4

<p>1. Board ensures and adopts an effective succession planning program for directors, key officers and management.</p>	<p>COMPLIANT</p>	<p>The succession plan is inherent to the owner of majority shares and as decided by the Board. The attached document (RAROCO Retirement Benefit and Succession Planning Program) has within it a simple succession plan by order of events.</p>	
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2. Board adopts a policy on the retirement for directors and key officers.	COMPLIANT	For the employees and top management, we follow the provisions of RA No. 4917 and 7641. Details on retirement benefit is found in the attached document: RAROCO Retirement Benefit and Succession Planning Program. https://rarocoinsurance.ph/corporate-governance/	
Recommendation 2.5			
1. Board formulates and adopts a policy specifying the relationship between remuneration and performance of key officers and board members.	COMPLIANT	The information on the company's remuneration policy and its implementation, including the relationship between remuneration and performance are in our By Laws on Art. III, Sec. 8 as well as on SEC. 9, ART 4 regarding how directors do not participate in discussions or deliberations involving his/her own remuneration. https://rarocoinsurance.ph/corporate-governance/	
2. Board aligns the remuneration of key officers and board members with long-term interests of the company.	COMPLIANT		
3. Directors do not participate in discussions or deliberations involving his/her own remuneration.	COMPLIANT		
Recommendation 2.6			
1. Board has a formal and transparent board nomination and election policy.	COMPLIANT	RAROCO Insurance is a family-run business. The members are the family members. The election policies and nomination process is found in our MCG and in our company's By Laws. Board Nomination and election is disclosed in the company's By Laws, we have in Article II, Section 7 and Article 3, Sec. 2 Election and Terms. The Election is likewise discussed in the Manual of Corporate Governance. https://rarocoinsurance.ph/corporate-governance/	
2. Board nomination and election policy is disclosed in the company's Manual on Corporate Governance.	COMPLIANT		
3. Board nomination and election policy includes how the company accepts nominations from minority shareholders.	COMPLIANT		
4. Board nomination and election policy includes how the board reviews nominated candidates.	COMPLIANT		

5. Board nomination and election policy includes an assessment of the effectiveness of the Board's processes in the nomination, election, or replacement of a director.	COMPLIANT		
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	The company's policy for the related party transactions are provided for in the Manual of Corporate Governance. https://rarocoinsurance.ph/corporate-governance/	
2. RPT policy includes appropriate review and approval of material RPTs, which guarantee fairness and transparency of the transactions.	COMPLIANT	The company's policy for the related party transactions are provided for in the Manual of Corporate Governance. https://rarocoinsurance.ph/corporate-governance/	
3. RPT policy encompasses all entities within the group, taking into account their size, structure, risk profile and complexity of operations.	COMPLIANT		
Recommendation 2.8			
1. Board is primarily responsible for approving the selection of the Chief Executive Officer (CEO) and the heads of the other control functions (Chief Risk Officer, Chief Compliance Officer and Chief Audit Executive).	COMPLIANT	The Board has the power to approve the appointment of the Chief Executive Officer and other key officers of the company as provided for in the Manual of Corporate Governance. https://rarocoinsurance.ph/corporate-governance/	

<p>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).</p>	<p>COMPLIANT</p>	<p>The Board is primarily responsible for the assessment of the performance of the CEO and other key officers of the company as provided for in the Manual of Corporate Governance. The CEO is assessed on an annual basis by the Board. Each board member individually answers the assessment performance. https://rarocoinsurance.ph/corporate-governance/</p>	
<p>Recommendation 2.9</p>			
<p>1. Board establishes an effective performance management framework that ensures that Management, including the Chief Executive Officer performance is at par with the standards set by the Board and Senior Management.</p>	<p>COMPLIANT</p>	<p>The company has a BOD handbook where the management framework is defined. https://rarocoinsurance.ph/corporate-governance/</p>	
<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.</p>	<p>COMPLIANT</p>		
<p>Recommendation 2.10</p>			
<p>1. Board oversees that an appropriate internal control system is in place.</p>	<p>COMPLIANT</p>	<p>The provision for internal control system, monitoring and other related functions are thoroughly discussed in the Manual of Corporate Governance, where you will also find Audit Committee Charter.</p>	
<p>2. The internal control system includes a mechanism for monitoring and managing potential conflict of interest of the Management, members, and shareholders.</p>	<p>COMPLIANT</p>	<p>https://rarocoinsurance.ph/corporate-governance/</p>	
<p>3. Board approves the Internal Audit Charter.</p>	<p>COMPLIANT</p>	<p>The Board has approved the Internal Audit Charter. https://rarocoinsurance.ph/corporate-governance/</p>	

Recommendation 2.11		
<p>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.</p> <p>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.</p>	COMPLIANT	<p>The risk management framework of the company is provided for in the Manual on Corporate Governance.</p> <p>https://rarocoinsurance.ph/corporate-governance/</p>
Recommendation 2.12		
<p>1. Board has a Board Charter that formalizes and clearly states its roles, responsibilities, and accountabilities in carrying out its fiduciary duties.</p>	COMPLIANT	<p>The Board Charter can be viewed in the company's Manual of Corporate Governance.</p> <p>https://rarocoinsurance.ph/corporate-governance/</p>
<p>2. Board Charter serves as a guide to the directors in the performance of their functions.</p>	COMPLIANT	
<p>3. Board Charter is publicly available and posted on the company's website.</p>	COMPLIANT	
<p>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.</p>		
Recommendation 3.1		
<p>1. Board establishes board committees that focus on specific board functions to aid in the optimal performance of its roles and responsibilities.</p>	COMPLIANT	<p>There are various committees established and were thoroughly discussed in the Manual of Corporate Governance. The Board as a body is tasked to handle some committee functions due to the limited scale of operations. The Board as a body is tasked to handle some committee functions due to the limited scale of operations.</p> <p>https://rarocoinsurance.ph/corporate-governance/</p>

Recommendation 3.2

<p>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.</p>	<p>COMPLIANT</p>	<p>The Audit Committee composition and functions are provided for in the Manual of Corporate Governance. Yes, it is the Audit Committee's responsibility to recommend and the appointment and removal of the external auditor.</p> <p>https://rarocoinsurance.ph/corporate-governance/</p>	
<p>2. Audit Committee is composed of at least three appropriately qualified non-executive directors, the majority of whom, including the Chairman is independent.</p>	<p>NON-COMPLIANT</p>	<p>Due to size of the company, and scale of operations, the Audit Committee is composed of: Erna Santiago (Chairman), Mikaela Hidalgo-Sison (Non-Executive Director), Lorenzo Roco (Non-Executive Director), assisted by the Board.</p>	
<p>3. All the members of the committee have relevant background, knowledge, skills, and/or experience in the areas of accounting, auditing and finance.</p>	<p>COMPLIANT</p>	<p>The background, knowledge, skills and experience of the members of the Audit Committee, including the Chairman of the of the Audit Committee can be found in: https://rarocoinsurance.ph/corporate-governance/</p>	
<p>4. The Chairman of the Audit Committee is not the Chairman of the Board or of any other committee.</p>	<p>COMPLIANT</p>		
<p>Recommendation 3.3</p>			
<p>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.</p>	<p>COMPLIANT</p>	<p>The function of the Corporate Governance Committee is covered by the Board as a body due to the limitation of the company's operation, with an independent director as Chairperson. See MCG. https://rarocoinsurance.ph/corporate-governance/</p>	
<p>2. Corporate Governance Committee is composed of at least three members, majority of whom should be independent directors.</p>	<p>NON-COMPLIANT</p>	<p>Due to the size of the company, and scale of our operations, the Corporate Governance Committee is composed of the Board Members headed by an independent director. https://rarocoinsurance.ph/corporate-governance/</p>	

<p>3. Chairman of the Corporate Governance Committee is an Independent director.</p>	<p>COMPLIANT</p>	<p>The Chairman of the Corporate Governance Committee is Russell Lorenzo</p>	
<p>Recommendation 3.4</p>			
<p>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.</p>	<p>COMPLIANT</p>	<p>The link containing information on the BROC including its functions are found in our MCG:</p>	
<p>2. BROC is composed of at least three members, the majority of whom should be independent directors, including the Chairman.</p>	<p>NON COMPLIANT</p>	<p>https://rarocoinsurance.ph/corporate-governance/ Due to our company size and scale of operations, the BROC is composed of: Denise Roco – De Leon (Chairman), Lorenzo Roco (Non-Executive Director), Mikaela Hidalgo-Sison (Non-Executive Director), assisted by the Board.</p>	
<p>3. The Chairman of the BROC is not the Chairman of the Board or of any other committee.</p>	<p>COMPLIANT</p>	<p>The background, knowledge, skills and experience of the members of the BROC, including the Chairman of the of the BROC can be found in: https://rarocoinsurance.ph/corporate-governance/</p>	
<p>4. At least one member of the BROC has relevant thorough knowledge and experience on risk and risk management.</p>	<p>COMPLIANT</p>	<p>Our Chairman, Ms. De Leon has taken a CGBP seminar heavily tackling risk management titled "Executive Briefing on Business Continuity" last June 7, 2022.</p>	
<p>Recommendation 3.5</p>			
<p>1. The Board establishes a Related Party Transactions (RPT) Committee, which is tasked with reviewing all material related party transactions of the company.</p>	<p>COMPLIANT</p>	<p>Due to the company's operational limitation, and the company size, the Related Party Transactions Committee is assisted by the Board. Info on the RPT Committee is found in the MCG: https://rarocoinsurance.ph/corporate-governance/</p>	

<p>2. RPT Committee is composed of at least three non-executive directors, majority of whom should be independent, including the Chairman.</p>	<p>COMPLIANT</p>	<p>The RPT Committee is assisted by the BOD and composed of: Independent Director, Rinna Garrucho (Chairman), Mikaela Hidalgo-Sison (Non-Executive Director), Lorenzo Roco (Non-Executive Director). The background, knowledge, skills and experience of the members of the RPT Comm, including the Chairman of the of the RPT Comm can be found in: https://rarocoinsurance.ph/corporate-governance/</p>	
<p>Recommendation 3.6</p>			
<p>1. All established committees have Committee Charters stating in plain terms their respective purposes, memberships, structures, operations, reporting process, resources and other relevant information</p>	<p>COMPLIANT</p>	<p>The committee functions and responsibilities are defined in the Manual of Corporate Governance. https://rarocoinsurance.ph/corporate-governance/</p>	
<p>2. Committee Charters provide standards for evaluating the performance of the Committees</p>	<p>NON-COMPLIANT</p>	<p>Due to the company's operational limitation, and the company size, the committees heavily rely on the guidance and supervision of the Board. The committees have also been newly formed with new members so are not being evaluated yet. The duties of the committees, which are applicable to us are mostly carried on by the board.</p>	
<p>3. Committee Charters were fully disclosed on the company's website</p>	<p>COMPLIANT</p>	<p>The standards for evaluating the performance of the Committees are still in the process of being formed once applicable to our company.</p> <p>We recently had a resignation of independent directors and have welcomed two new independent directors in 2023. https://rarocoinsurance.ph/corporate-governance/ The Committee Charters are fully disclosed on the company's website in the MCG: https://rarocoinsurance.ph/corporate-governance/</p>	

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

<p>1. The Directors attends and actively participates 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.</p>	<p>COMPLIANT</p>	<p>The specific duties and responsibilities are defined in the By-Laws and the Manual of Corporate Governance. These are found in our board resolutions. https://rarocoinsurance.ph/corporate-governance/</p>
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<p>2. The directors review meeting materials for all Board and Committee meetings.</p>	<p>COMPLIANT</p>
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<p>3. The directors ask the necessary questions or seek clarifications and explanations during the Board and Committee meetings.</p>	<p>COMPLIANT</p>	<p>The meeting materials are being sent in advance to all directors for review and ratification as the case may be. These can be found in the board minutes found in the above link.</p>
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Recommendation 4.2

<p>1. Non-executive directors concurrently serve as directors to a maximum of five Insurance Commission Regulated Entities (ICREs) and publicly-listed companies to ensure that they have sufficient time to fully prepare for meetings, challenge Management's proposals/views, and oversee the long-term strategy of the company.</p>	<p>COMPLIANT</p>	<p>Non-executive directors are required to disclose if they have other directorship being held with other companies this is found in the MCG in Art. 4, Letter B. https://rarocoinsurance.ph/corporate-governance/</p>	
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Recommendation 4.3			
1. The directors notify the company's board where he/she is an incumbent director before accepting a directorship in another company.	COMPLIANT	Non-executive directors are required to disclose if they have other directorship being held with other companies. This is in our MCG found in Art. 4, Letter B., and also discussed in our board meeting. This is found in BR 2022-03. https://rarocoinsurance.ph/corporate-governance/	
Principle 5: The board should endeavor to exercise an objective and independent judgment on all corporate affairs.			
Recommendation 5.1			
1. The Board is composed of at least twenty percent (20%) independent directors.	COMPLIANT	The company has two (2) independent directors which comprises 20% of the Board composition. The composition of the Board can be found in the company website. https://rarocoinsurance.ph/corporate-governance/	
Recommendation 5.2			
1. The independent directors possess all the necessary qualifications and none of the disqualifications to hold the position.	COMPLIANT	The qualifications of the independent directors can be found in the MCG. https://rarocoinsurance.ph/corporate-governance/	
Recommendation 5.3			
1. The independent director serves for a maximum cumulative term of nine years. As far as Insurance Companies are concerned, the foregoing term limit shall be reckoned from 02 January 2015 while the reckoning date for the Pre-Need Companies and Health Maintenance Organizations shall	COMPLIANT	The term of the independent director is defined in the Manual of Corporate Governance. This is found in BR 2021-06. The new independent directors will complete their second year by July 1, 2025. https://rarocoinsurance.ph/corporate-governance/	

<p>be from 21 September 2016.</p> <p>For other covered entities, all previous terms served by existing Independent Directors prior to the effectivity of this Circular shall not be included in the application of the term limit prescribed in this item.</p>			
<p>2. The company bars an independent director from serving in such capacity after the term limit of nine years.</p>	<p>COMPLIANT</p>		
<p>3. In the instance that the company retains an independent director in the same capacity after nine years, the board submits to the Insurance Commission a formal written justification and seek shareholders' approval during the annual shareholders' meeting.</p>	<p>COMPLIANT</p>	<p>The board resolution of the appointment of independent directors can be found in the company website. https://rarocoinsurance.ph/corporate-governance/</p>	
<p>Recommendation 5.4</p>			
<p>1. The positions of Chairman of the Board and Chief Executive Officer are held by separate individuals.</p>	<p>COMPLIANT</p>	<p>The following are the Chairman and CEO: Chairman: Ramon A. Roco CEO (President): Marie Denise Roco-De Leon. Our current president takes on the role of CEO.</p>	

<p>2. The Chairman of the Board and Chief Executive Officer have clearly defined responsibilities.</p>	<p>COMPLIANT</p>	<p>The position of Chairperson of the Board and President shall be separate to foster a balance of power, increased accountability and better capacity for independent decision-making.</p> <p>A clear delineation of functions shall be made between the Chairperson and the President. In the Articles of Incorporation, Art. IV, Sec. 2 President and under MCG, II., no. 2. The Chairperson have roles and responsibilities defined. See link: https://rarocoinsurance.ph/corporate-governance/</p> <p>The executives are father and daughter, the company being a family corporation.</p>	
<p>Recommendation 5.5</p>			
<p>1. If the Chairman of the Board is not an independent director or where the roles of Chairman and CEO are being held by one person, the Board should designate a lead director among the independent directors</p>	<p>COMPLIANT</p>	<p>The Chairman is not an independent director. He is our Founder and former President, Mr. Ramon A. Roco. Russell Lorenzo has been designated lead director among the independent directors.</p> <p>https://rarocoinsurance.ph/corporate-governance/</p>	
<p>Recommendation 5.6</p>			
<p>1. Directors with material interest in a transaction affecting the corporation should abstain from taking part in the deliberations for the same.</p>	<p>COMPLIANT</p>	<p>There are no directors with material interest in a transaction affecting the corporation have taken part in the deliberations for the same.</p>	

Recommendation 5.7

<p>1. The non-executive directors (NEDs) have separate periodic meetings with the external auditor and heads of the internal audit, compliance and risk functions, without any executive directors present to ensure that proper checks and balances are in place within the corporation.</p>	<p>NON-COMPLIANT</p>	<p>The Board actively promotes check and balance and holds meetings with all concerned and has approved a policy for the conduct of regular meetings.</p> <p>Due to the scale of operations, this is not yet being conducted. In the future, this will be implemented accordingly to the company's growth and capacity.</p>	
<p>2. The meetings are chaired by the lead independent director.</p>	<p>NON-COMPLIANT</p>	<p>As of the moment, meetings are being chaired by the Chairman of the committee. Due to the scale of operations, this is not yet being conducted. In the future, this will be implemented accordingly to the company's growth and capacity.</p>	

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

<p>1. The Board conducts an annual assessment of its performance as a whole.</p>	<p>COMPLIANT</p>	<p>The Board has conducted an annual assessment of itself as a whole.</p>	
<p>2. The performance of the Chairman is assessed annually by the Board.</p>	<p>COMPLIANT</p>	<p>The performance of the Chairman, as well as the performance of the individual board members are also assessed annually.</p>	
<p>3. The performance of the individual members of the Board is assessed annually by the Board.</p>	<p>COMPLIANT</p>	<p>There are no assessments yet for the committees due to the size and scale of the company and its operations. See attached papers of self-rating evaluation.</p>	
<p>4. The performance of each committee is assessed annually by the Board.</p>	<p>NON-COMPLIANT</p>		
<p>5. Every three years, the assessments are supported by an external facilitator</p>	<p>NON-COMPLIANT</p>	<p>The assessments will be supported by an external facilitator if, and when it should be applicable to the size and scale of our company and operations. Aiming to accomplish this within the year 2025.</p>	

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	The information on the system of the company to evaluate the performance of the board, individual directors and committees can be found in the Evaluation Forms link: https://rarocoinsurance.ph/corporate-governance/	
2. The system allows for a feedback mechanism from the shareholders.	COMPLIANT	The feedback mechanism from shareholders is seen in the policy on commitment to good governance in the MCG: https://rarocoinsurance.ph/corporate-governance/	
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	The information or link/reference to the company's Code of Business Conduct and Ethics is in the Employee Handbook as well as the Board of Directors Handbook. https://rarocoinsurance.ph/corporate-governance/	
2. The Code is properly disseminated to the Board, senior management and employees.	COMPLIANT	The BOD handbook was disseminated to the Board and the Employee handbook was disseminated to the employees upon orientation and can be found in the company website.	
3. The Code is disclosed and made available to the public through the company website.	COMPLIANT	The Code of Business Conduct and Ethics is posted/ disclosed on our company website in the RAROCO BOD handbook link: https://rarocoinsurance.ph/corporate-governance/	

Recommendation 7.2			
1. Board ensures the proper and efficient implementation and monitoring of compliance with the Code of Business Conduct and Ethics.	COMPLIANT	Proof of implementation and monitoring of compliance with the Code of Business Conduct and Ethics and internal policies are included in all handbooks. See attached signed copies of recipients. All board members, and employees are required to comply with the Code of Business Conduct and Ethics.	
2. Board ensures the proper and efficient implementation and monitoring of compliance with company internal policies.	COMPLIANT	To ensure compliance, the management, BOD and employees are duly informed of the corresponding sanctions and penalties. These are stated in the BOD handbook, employee handbook and Manual of Corporate Governance. https://rarocoinsurance.ph/corporate-governance/	
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	All disclosures are normally done during meetings, the company is a family corporation and the shareholders and directors are mostly composed of family members. The financial report is being furnished to all shareholders before the annual meeting. The policy is found in Article 6 of the MCG. https://rarocoinsurance.ph/corporate-governance/	
Recommendation 8.2			
1.			
2.			

Recommendation 8.3

<p>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.</p>	COMPLIANT	<p>The company disclosures on the qualifications and other information can be found in the company website. https://rarocoinsurance.ph/our-story/ https://rarocoinsurance.ph/corporate-governance/</p>	
<p>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.</p>	COMPLIANT		

Recommendation 8.4

<p>1. Company provides a clear disclosure of its policies and procedure for setting Board remuneration, including the level and mix of the same in the Annual Corporate Governance Report consistent with ASEAN Corporate Governance Scorecard (ACGS) and the Revised Corporation Code.</p>	COMPLIANT	<p>The policy on remuneration are provided for in the By-Laws. https://rarocoinsurance.ph/corporate-governance/</p>	
<p>2. Company provides a clear disclosure of its policies and procedure for setting Executive remuneration, including the level and mix of the same in the Annual Corporate Governance Report consistent with ASEAN Corporate Governance Scorecard (ACGS) and the Revised Corporation Code,</p>	COMPLIANT		

3. Company discloses the Remuneration on an individual basis, including termination and retirement provisions	COMPLIANT	See attached breakdown of remuneration of the board and CEO/ President.	
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Recommendation 8.5

1 Company discloses its policies governing Related Party Transactions (RPTs) and other unusual or infrequently occurring transactions.	COMPLIANT	The policy of related party transactions are provided for in the Manual of Corporate Governance. https://rarocoinsurance.ph/corporate-governance/	
2. Company discloses material or significant RPTs in its Annual Company Report or Annual Corporate Governance Report, reviewed and approved by the Board, and submitted for confirmation by majority vote of the stockholders in the annual stockholders' meeting during the year.	COMPLIANT	Disclosures are being discussed during meetings, the company is a family corporation and the shareholders and directors are mostly composed of family members	

Recommendation 8.7

1. Company's corporate governance policies, programs and procedures are contained in its Manual on Corporate Governance (MCG).	COMPLIANT	The Manual on Corporate Governance is posted in the company website. https://rarocoinsurance.ph/corporate-governance/ .	
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

<p>1. Audit Committee has a robust process for approving and recommending the appointment, reappointment, removal, and fees of the external auditors.</p>	<p>COMPLIANT</p>	<p>The Board approves the reappointment of the external auditor as recommended by the Audit Committee. Our designated external auditor is Perez Sese Villa & Company.</p>	
<p>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.</p>	<p>COMPLIANT</p>	<p>The reappointment of the external auditor was unanimously approved by the Board and ratified by the shareholders. See attached board resolution.</p>	
<p>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.</p>	<p>COMPLIANT</p>	<p>The process of removal or change of the external auditor is provided for in the Manual of Corporate Governance. https://rarocoinsurance.ph/corporate-governance/.</p>	

Recommendation 9.2

<p>1. Audit Committee Charter includes the Audit Committee's responsibility on:</p> <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 	<p>COMPLIANT</p>	<p>The Audit Committee Charter can be found in the company website in MCG: https://rarocoinsurance.ph/corporate-governance/.</p>	
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<p>relevant Philippine professional and regulatory requirements.</p>			
<p>2. Audit Committee Charter contains the Committee's responsibility on reviewing and monitoring the external auditor's suitability and effectiveness on an annual basis.</p>	<p>COMPLIANT</p>		
<p>Recommendation 9.3</p>			
<p>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.</p>	<p>COMPLIANT</p>	<p>The engagement with external auditor is for annual audit only. There is no engagement for other services.</p>	
<p>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.</p>	<p>COMPLIANT</p>		
<p>Principle 10: The company should ensure that the material and reportable non-financial and sustainability issues are disclosed.</p>			
<p>Recommendation 10.1</p>			
<p>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 (ESG) issues of its business, which underpin sustainability.</p>	<p>COMPLIANT</p>	<p>The company has limited operation and has policies and established standards based on best practices in the industry. This ACGR in itself forms part of the framework. The Board is currently deciding on ESG matters by studying the Integrated Reporting Framework, which it may aim to adopt in the future.</p>	

2. Company adopts a globally recognized standard/framework in reporting sustainability and non-financial issues.	COMPLIANT	The company adopts a globally recognized standard/framework in reporting sustainability and non-financial issues through its objective to eventually move forward in the implementation of the Integrated Reporting Framework, and by way of fulfillment of the Revised Code of Corporate Governance for Insurance Commission Regulated Companies.	
<p>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.</p> <p>Recommendation 11.1</p>			
1. The company should have a website to ensure a comprehensive, cost efficient, transparent, and timely manner of disseminating relevant information to the public.	COMPLIANT	The company post news and other updates in the company website. https://rarocoinsurance.ph/blogs/	
<p align="center">Internal Control System and Risk Management Framework</p> <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	The company has an adequate internal control system, defined in all the SOPs and practices being followed in the day-to-day operation.	
2. Company has an adequate and effective enterprise risk management framework in the conduct of its business.	COMPLIANT	Framework is defined in the handbooks as guide in the conduct of business. https://rarocoinsurance.ph/corporate-governance/ .	
<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.	NON-COMPLIANT	Due to the limited scale of operation, the company plans to outsource the internal auditor in the future. The external auditor is Perez Sese Villa & Company.	

Recommendation 12.3		
1. The company has a qualified Chief Audit Executive (CAE) appointed by the Board.	NON-COMPLIANT	Due to the company's size, risk profile and scale of operations, the Board as a body has the ultimate responsibility for internal control including the monitoring of audit activities of the outsourced internal auditor as defined in the Manual of Corporate Governance. https://rarocoinsurance.ph/corporate-governance/ .
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	Our external auditor reports directly to the audit committee. Senior management oversees this collectively. Due to the limited scale of operation, the company plans to outsource the internal auditor in the future. https://rarocoinsurance.ph/corporate-governance/ .
3. In case of a fully outsourced internal audit activity, qualified independent executive or senior management personnel is assigned the responsibility for managing the fully outsourced internal audit activity.	NON-COMPLIANT	Due to the size of our company and scale of our operations, the risk management function is being handled by the Management and the Board. See Manual on Corporate Governance. https://rarocoinsurance.ph/corporate-governance/ .
Recommendation 12.4		
1. The company has a separate risk management function to identify, assess and monitor key risk exposures.	NON-COMPLIANT	The Board as a body has the ultimate responsibility for risk management due to the size of the company, its limitation and scale of operation. See Manual on Corporate Governance. https://rarocoinsurance.ph/corporate-governance/ .
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	Info on the qualifications/ background of the

2. CRO has adequate authority, stature, resources and support to fulfill his/her responsibilities.	NON-COMPLIANT	board is found in: https://rarocoinsurance.ph/corporate-governance
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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	Shareholder rights are provided for in the Manual of Corporate Governance under letter K. Promotion of Shareholder's Rights, which can be found in the company website: https://rarocoinsurance.ph/corporate-governance/ .	
2. Board ensures that basic shareholder rightshare disclosed on the company's website.	COMPLIANT		

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 21 days before the meeting.	COMPLIANT	The agenda for the stockholders meeting is being sent 2-3 weeks before the meeting. The shareholders being composed of family members: https://rarocoinsurance.ph/corporate-governance/	
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Recommendation 13.3

1. Board encourages active shareholder participation by making the result of the votes. During the most recent Annual or Special Shareholders' Meeting publicly available the next working day.	COMPLIANT	Disclosures are being discussed during meetings, the company is a family corporation and the shareholders and directors are mostly composed of family members. Board minutes are in: https://rarocoinsurance.ph/corporate-governance/ .	
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2. Minutes of the Annual and Special Shareholders' Meetings are available on the company website within five business days from the end of the meeting.	COMPLIANT		
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Recommendations 13.4

1. Board has an alternative dispute mechanism to resolve intra-corporate disputes in an amicable and effective manner	COMPLIANT	Details on the alternative dispute resolution procedure is in our Manual of Corporate Governance under letter N, number 2. Disputes and Resolution: https://rarocoinsurance.ph/corporate-governance/ .	
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2. The alternative dispute mechanism is included in the company's Manual on Corporate Governance.	COMPLIANT
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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	<p>The company's stakeholders are defined in the MCG. All policies and initiatives are being discussed and shared to everyone as it happens.</p> <p>CSR activities, the RAROCO 35th Anniversary Celebration, annual teambuildings, RAROCO Quarterly Activities and General monthly meetings can be found in:</p> <p>https://rarocoinsurance.ph/corporate-governance/ https://rarocoinsurance.ph/blogs/</p>	
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Recommendation 14.2

1. Board establishes clear policies and programs to provide a mechanism on the fair treatment and protection of stakeholders.	COMPLIANT	<p>The policies and programs for the protection and fair treatment of the company's stakeholders are found in the MCG.</p> <p>https://rarocoinsurance.ph/corporate-governance/ https://rarocoinsurance.ph/blogs/</p>	
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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	<p>The stakeholders can voice their concerns and/or complaints for possible violation of their rights:</p> <p>VP Admin, HR & Sales erna@rarocoinsurance.ph 8896-0497 loc. 203 +63917 801 9259 / +63998 840 9721 Rm. 608 Ferros Bel-Air Tower, #30 Polaris St., Makati City https://rarocoinsurance.ph/corporate-governance/</p>	
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		<p>The Whistleblowing policy can be found in the BOD and the employee handbook within the below link</p> <p>https://rarocoinsurance.ph/corporate-governance/.</p>	
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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

<p>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.</p>	<p>COMPLIANT</p>	<p>Company policies, programs and procedures that encourage employee participation are through our company teambuildings, general monthly meetings, CSR activities, quarterly activities and strategic planning workshops. See letter O of MCG.</p> <p>https://rarocoinsurance.ph/blogs/ https://rarocoinsurance.ph/corporate-governance/</p>	
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Recommendation 15.2

<p>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.</p>	<p>COMPLIANT</p>	<p>The anti-corruption policy of the company is in place and can be found in the BOD handbook and employees handbook.</p> <p>https://rarocoinsurance.ph/corporate-governance/.</p>	
<p>2. Board disseminates the policy and program to employees across the organization through trainings to embed them in the company's culture.</p>	<p>COMPLIANT</p>	<p>The employees were each given a copy of the handbook, which was received and signed by each employee. Team building activities are being held annually (except 2020 due to onset of global pandemic). Part of the activity is revisiting policies and compliance. See copy of employee handbook:</p> <p>https://rarocoinsurance.ph/corporate-governance/.</p>	

Recommendation 15.3

<p>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.</p>	<p>COMPLIANT</p>	<p>The Board has approved the Whistleblowing policy in the MCG, and which can be found in the below link in the BOD handbook and the employee handbook:</p> <p>https://rarocoinsurance.ph/corporate-governance/.</p> <p>Direct access to an independent member of the board is below, which is also found in our website in the same link shared above.</p> <p>Russell Lorenzo Independent Director russell.lorenzo@gmail.com 0906-4474503</p>	
<p>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.</p>	<p>COMPLIANT</p>	<p>The whistleblowing policy was discussed to the board and the staff and was disseminated in the BOD and employee handbook. There have been no whistleblowing incidents.</p>	
<p>3. Board supervises and ensures the enforcement of the whistleblowing framework.</p> <p>COMPLIANT</p> <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> <p>Recommendation 16.1</p>			
<p>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.</p>	<p>COMPLIANT</p>	<p>The company is committed to be involved and be part of the community initiatives. The previous activities and related programs of the company can be viewed in the below link. RAROCO began its major CSR initiatives in 2018 until presently. We skipped 2020 due to the onset of the global pandemic. For year 2024, kindly see below link:</p> <p>https://rarocoinsurance.ph/blogs/</p>	

IN WITNESS WHEREOF, we, the Chairman and Compliance Officer along with the members of the Board of Directors of RAROCO Insurance Brokers, Inc., hereby adopt the foregoing Manual of Corporate Governance, affixing our signatures this _____ at Makati City, Philippines.

SIGNED:

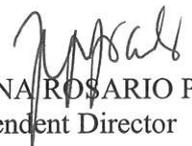

RAMON A. ROCO
Chairman


RAMON M. HIDALGO
Vice-President

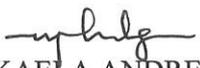

MARIE DENISE ROCO – DE LEON
President / Compliance Officer


RUSSELL Y. LORENZO
Independent Director


ANGELINA H. ROCO
Treasurer


REGINA ROSARIO P. GARRUCHO
Independent Director


LORENZO ANGELO H. ROCO
Director


MIKAELA ANDREA HIDALGO – SISON
Director


ERNA ROVERA – SANTIAGO
Corporate Secretary

SUBSCRIBED AND SWORN TO before me this MAY 28 2025 at Makati City,
Affiant exhibited to me his/her _____

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Page no.: 29
Book no.: 29
Series of 29 29


ATTY. ROMEO M. MONFORT
Notary Public City of Makati
Until December 31, 2025
Appointment No. M-032 (2024-2025)
PTR No. 10466008 Jan. 2, 2025/Makati City
IBP No. 308870 Dec. 27, 2024
MCLE NO. VII-0027370 Roll No. 27932
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