

COMPANY NAME : MAA GENERAL ASSURANCE PHILS., INC.
FINANCIAL YEAR END : 2016

SECTOR : INSURANCE
COMPANY STRUCTURE : CLASS 3

PART A: RIGHTS OF SHAREHOLDERS

ITEM No.	RIGHTS OF SHAREHOLDERS	APPLICABLE PRINCIPLE	RESPONSE	REFERENCE/SOURCE DOCUMENT
A.1 Basic Shareholder Rights				
A.1.1	Does the company pay (interim and final/annual) dividends in an equitable and timely manner; that is, all shareholders are treated equally and paid within 30 days after being (i) declared for interim dividends and (ii) approved by shareholders at general meetings for final dividends?	OECD Principle II: The Rights of Shareholders and Key Ownership Functions (A) Basic shareholder rights should include the right to, amongst others: (6) share in the profits of the corporation.	Y	Article 7 (e), page 17 of the MAAGAP's Manual on Corporate Governance provides the right of the shareholders to receive dividends
A.2 Right to participate in decisions concerning fundamental corporate changes.				
<i>Do shareholders have the right to participate in:</i>				
A.2.1	Amendments to the company's constitution?	OECD Principle II (B) Shareholders should have the right to participate in, and to be sufficiently informed on, decisions concerning fundamental corporate changes such as: (1) amendments to the statutes, or articles of incorporation or similar governing documents of the company.	Y	See Amended By-laws and Article 7 (a.i.), page 17 of the MAAGAP's Manual on Corporate Governance provides the right of the shareholders to vote on all matters, including but not limited to (i) Amendments of the Articles of Incorporation, (ii) Adoption and Amendments of By-laws
A.2.2	The authorization of additional shares?	OECD Principle II (B): (2) the authorization of additional shares.	Y	Article 7 (a.v.), page 17 of the MAAGAP's Manual on Corporate Governance provides the right of the shareholders to vote on all matters, including but not limited to (v) Increase or decrease of capital stock
A.2.3	The transfer of all or substantially all assets, which in effect results in the sale of the company?	OECD Principle II. (B): (3) extraordinary transactions, including the transfer of all or substantially all assets, that in effect result in the sale of the company.	Y	Article 7 (a.iii.), page 17 of the MAAGAP's Manual on Corporate Governance provides the right of the shareholders to vote on all matters, including but not limited to (iii) Sale, lease, exchange, mortgage, pledge or other disposition

				of all or substantially all of the corporate property.
A.3 Right to participate effectively in and vote in general shareholder meetings and should be informed of the rules, including voting procedures, that govern general shareholder meetings.				
A.3.1	Do shareholders have the opportunity, evidenced by an agenda item, to approve remuneration (fees, allowances, benefit-in-kind and other emoluments) or any increases in remuneration for the non-executive directors/commissioners?	OECD Principle II (C): (3) Effective shareholder participation in key corporate governance decisions, such as the nomination and election of board members, should be facilitated. Shareholders should be able to make their views known on the remuneration policy for board members and key executives. The equity component of compensation schemes for board members and employees should be subject to shareholder approval.	Y	MAAGAP adheres to the provision stated under the Sec. 30, Title III of the Corporation Code of the Philippines , to wit: <i>“In the absence of any provision in the By-laws fixing their compensation, the directors shall not receive any compensation, as such directors, except for reasonable per diems: Provided, however, That any such compensation other than per diems may be granted to directors by the vote of the stockholders representing at least a majority of the outstanding capital stock at a regular or special stockholders’ meeting. In no case shall the total yearly compensation of directors, as such directors, exceed ten (10%) percent of the net income before income tax of the corporation during the preceding year.”</i>
A.3.2	Does the company provide non-controlling shareholders a right to nominate candidates for board of directors/commissioners?		Y	Sec. 3, Art. III of the Amended By-Laws Minutes of the Annual Shareholders’ Meeting
A.3.3	Does the company allow shareholders to elect directors/commissioners individually?		Y	Under the Sec. 3, Art. III of the Corporation’s Amended By-Laws , <i>“at each election of directors, every stockholder entitled to vote at such election shall have the right to vote, in person or by proxy the number of shares owned by him for as many persons as there are directors to be elected and for whose election he has a right to vote, or to cumulate his votes by giving one candidate as many votes as the number of such directors multiplied by the number of his shares shall equal, or by distributing such votes on the same principle among any number of candidates.”</i>

				See also: Item No.2.1 of the Notice of Annual Meeting of the Shareholders
A.3.4	Does the company disclose the voting and vote tabulation procedures used, declaring both before the meeting proceeds?	OECD Principle II (C): Shareholders should have the opportunity to participate effectively and vote in general shareholder meetings and should be informed of the rules, including voting procedures that govern general shareholder meetings.	Y	The Company is open on its voting procedures and tabulation and shall likewise implement its disclosure before the start of the meeting as shown on the Notice. See also: Item No.2.1 of the Notice of Annual Meeting of the Shareholders
A.3.5	Do the minutes of the most recent AGM record that there was an opportunity allowing for shareholders to ask questions or raise issues?	OECD Principle II (C): (2) Shareholders should have the opportunity to ask questions to the board, including questions relating to the annual external audit, to place items on the agenda of general meetings, and to propose resolutions, subject to reasonable limitations.	Y	Item No. 3, Minutes of the Annual Shareholders' Meeting of the company shows that each shareholder has the opportunity to raise issues and/or ask questions relative to the issues stated on the agenda.
A.3.6	Do the minutes of the most recent AGM record questions and answers?		Y	The most recent AGM minutes records the raised questions with its corresponding answers.
A.3.7	Does the disclosure of the outcome of the most recent AGM include resolution(s)?		Y	After deliberation and voting on the issues and recommendations, the Chairman and/or Vice-Chairman will then confirm and approve the outcome by passing the corresponding resolution(s). See Minutes of the Annual Shareholders' Meeting
A.3.8	Does the company disclose the voting results including approving, dissenting, and abstaining votes for each agenda item for the most recent AGM?		Y	See Minutes of the Annual Shareholders' Meeting
A.3.9	Does the company disclose the list of board members who attended the most recent AGM?	OECD Principle II (C); and ICGN 2.4.2: All directors need to be able to allocate sufficient time to the board to perform their responsibilities effectively, including allowing	Y	See Page 1, Minutes of the Annual Shareholders' Meeting
A.3.10	Did the chairman of the board of directors/commissioners attend the most recent AGM?		Y	Vice-Chairman Datuk Muhamad Umar Swift presided the meeting in view of the absence of the Chairman, Justice Santiago Ranada

		some leeway for occasions when greater than usual time demands are made.		<p>See Page 1, Minutes of the Annual Shareholders' Meeting</p> <p>See also Art. IV, Sec. 6 of the company's Amended By-Laws (page 4)</p>
A.3.11	Did the CEO/Managing Director/President attend the most recent AGM?		Y	<p>Daniel C. Go – President, was present</p> <p>See Page 1, Minutes of the Annual Shareholders' Meeting</p>
A.3.12	Did the chairman of the Audit Committee attend the most recent AGM?		Y	<p>Gen. Efren Abu – Chairman of the Audit Committee was present.</p> <p>See Page 1, Minutes of the Annual Shareholders' Meeting</p>
A.3.13	Did the company organize their most recent AGM in an easy to reach location?	OECD Principle II (C)	Y	<p>The most recent AGM (Annual Shareholders Meeting – 11 May 2017) was held at the Dickens Room, 2nd Floor Discovery Primea, 6749 Ayala Avenue, Makati City, a prime location at the heart of the Central Business District of Makati.</p> <p>See Notice of Annual Shareholders Meeting</p>
A.3.14	Does the company allow for voting in absentia?	OECD Principle II (C): (4) Shareholders should be able to vote in person or in absentia, and equal effect should be given to votes whether cast in person or in absentia.	Y	<p>The company allows its shareholders to vote in absentia or by proxy, provided that the proxy shall have been appointed by the stockholder himself or by his/her duly authorized attorney provided further that it is filed with the Secretary of the Corporation for at least 24 hours before the meeting.</p> <p>See Sec. 6, Article II of the company's Amended By-laws (Page 2)</p>
A.3.15	Did the company vote by poll (as opposed to by show of hands) for all resolutions at the most recent AGM?	OECD Principle II (C)	Y	<p>The voting procedure was explained in the Notice of Annual Shareholders Meeting and reflected at the Minutes of the Annual Shareholders' Meeting</p>

A.3.16	Does the company disclose that it has appointed an independent party (scrutineers/inspectors) to count and/or validate the votes at the AGM?		Y	This was shown in the Notice of Annual Shareholders' Meeting [see 2.1 (c)]
A.3.17	Does the company make publicly available by the next working day the result of the votes taken during the most recent AGM for all resolutions?	OECD Principle II (C): (1) Shareholders should be furnished with sufficient and timely information concerning the date, location and agenda of general meetings, as well as full and timely information regarding the issues to be decided at the meeting.	Y	See Minutes of the Annual Shareholders' Meeting [Item 7 (f)]
A.3.18	Do companies provide at least 21 days' notice for all resolutions?		Y	See Notice of Annual Shareholders Meeting
A.3.19	Does the company provide the rationale and explanation for each agenda item which require shareholders' approval in the notice of AGM/circulars and/or the accompanying statement?		Y	See Notice of Annual Shareholders Meeting
A.4 Markets for corporate control should be allowed to function in an efficient and transparent manner.				
A.4.1	In cases of mergers, acquisitions and/or takeovers requiring shareholders approval, does the board of directors/commissioners of the offeree company appoint an independent party to evaluate the fairness of the transaction price?	OECD Principle II (E): Markets for corporate control should be allowed to function in an efficient and transparent manner. (1) The rules and procedures governing the acquisition of corporate control in the capital markets, and extraordinary transactions such as mergers, and sales of substantial portions of corporate assets, should be clearly articulated and disclosed so that investors understand their rights and recourse. Transactions should occur at transparent prices and under fair conditions that protect the rights of all shareholders according to their class.	N	
A.5 The exercise of ownership rights by all shareholders, including institutional investors, should be facilitated.				
A.5.1	Does the Company publicly disclose policy/practice to encourage shareholders including institutional shareholders to attend the general meetings or engagement with the Company?	OECD Principle II (F): The exercise of ownership rights by all shareholders, including institutional investors, should be facilitated.	Y	See Notice of Annual Shareholders Meeting