

ANNUAL CORPORATE GOVERNANCE REPORT OF
Citicorp Financial Services and Insurance Brokerage Philippines Inc.

(Name of Company)

1. For the fiscal year ended December 31, 2020
2. Certificate Authority Number A199808664
3. Philippines
Province, Country or other jurisdiction of incorporation or organization
4. Citibank Square, 1 Eastwood Ave, Eastwood City, Brgy Bagumbayan, Quezon City 1110
Address of principal office **Postal Code**
5. 8423-6334
Company's telephone number, including area code
6. https://www.citibank.com.ph/gcb/citibank_insurance/about-cfsi.html?lid=PHENCBGISMITLAboutCFSI
Company's official website
7. N.A.
Former name, former address, and former fiscal year, if changed since last report.

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 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.		
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	Provide information or link/reference to a document containing information on the following: 1. Academic qualifications, industry knowledge, professional experience, expertise, and relevant trainings of directors
2. Board has an appropriate mix of competence and expertise.	Compliant	2. Qualification standards for directors to facilitate the selection of potential nominees and to serve as benchmark for the evaluation of its performance
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	Refer to the list of Board of Directors Profile and CFSI Corporate Governance Manual in CFSI website.
Recommendation 1.2		
1. Board is composed of a majority of non-executive directors.	Compliant	Identify or provide link/reference to a document identifying the directors and the type of their directorships Refer to the list of Board of Directors Profile on CFSI website.
Recommendation 1.3		
1. Company provides in its Board Charter or Manual on Corporate Governance a policy on training of directors.	Compliant	Provide link or reference to the company's Board Charter or Manual on Corporate Governance relating to its policy on training of directors.

		Refer to CFSI Corporate Governance Manual in CFSI website	
2. Company provides in its Board Charter or Manual on Corporate Governance an orientation program for first time directors.	Compliant	Provide information or link/reference to a document containing information on the orientation program and trainings of directors for the previous year, including the number of hours attended and topics covered.	
3. Company has relevant annual continuing training for all directors.		Refer to CFSI Corporate Governance Manual list of Board of Directors Profile on CFSI website. There are no new members elected in the board in 2020.	
Recommendation 1.4			
1. Board has a policy on board diversity.	Compliant	Provide information on or link / reference to a document containing information on the company's board diversity policy. Indicate gender composition of the board. CFSI adheres to Citigroup policy on diversity. This can be found at www.citigroup.com/citi/diversity The board is composed of 2 females and 5 males.	
Recommendation 1.5			
1. Board is assisted in its duties by a Corporate Secretary.	Compliant	Provide information on or link/reference to a document containing information on the Corporate Secretary, including his/her name, qualifications, duties, and functions.	
2. Corporate Secretary is a separate individual from the Compliance Officer.	Compliant		
3. Corporate Secretary is not a member of the Board of Directors.	Compliant	Refer to CFSI Corporate Governance Manual in CFSI website.	
4. Corporate Secretary attends training/s on corporate governance.	Compliant	Provide information or link/reference to a document containing information on the corporate governance training attended,	

		including number of hours and topics covered. Refer to the list of Board of Directors Profile on CFSI website.	
Recommendation 1.6			
1. Board is assisted by a Compliance Officer.	Compliant	Provide information on or link/reference to a document containing information on the Compliance Officer, including his/her name, position, qualifications, duties and frms Refer to CFSI's Corporate Governance Manual on the functions of 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		
3. Compliance Officer is not a member of the board.	Compliant		
4. Compliance Officer attends training/s on corporate governance annually.	Compliant	Provide information on or link/reference to a document containing information on the corporate governance training attended, including number of hours and topics covered Refer to the list of Key Officers Profile on CFSI website	
Principle 2: The fiduciary roles, responsibilities and accountabilities of the Board as provided under the law, the company's articles and by-laws, and other legal pronouncements and guidelines should be clearly made known to all directors as well as to stockholders and other stakeholders.			
Recommendation 2.1			
1. Directors act on a fully informed basis, in good faith, with due diligence and care, and in the best interest of the company.	Compliant	Provide information or reference to a document containing information on how the directors performed their duties (can include board resolutions, minutes of meeting). Board kit is issued before the meeting. Discussions are undertaken during the board meeting proper.	
Recommendation 2.2			
1. Board oversees the development, review and approval of the company's	Compliant	Provide information or link/reference to a document containing information on how the directors performed this function (can	

business objectives and strategy.		include board resolutions, minutes of meeting)	
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.	Compliant	Indicate frequency of review of business objectives and strategy The company's performance and strategies are discussed in the board meeting which is held on a quarterly basis.	
Recommendation 2.3			
1. Board is headed by a competent and qualified Chairperson.	Compliant	Provide information or reference to a document containing information on the Chairperson, including his/her name and qualifications Refer to the list of Board of Directors Profile on CFSI website.	
Recommendation 2.4			
1. Board ensures and adopts an effective succession planning program for directors, key officers, and management.	Compliant	Disclose and provide information or link/reference to a document containing information on the company's succession planning and retirement policies and programs, and its implementation	
2. Board adopts a policy on the retirement for directors and key officers.	Compliant	Citi Philippines conducts an annual talent review process to help the legal vehicles including CFSI identify and differentiate its talent pool, develop succession plans, assess leaders, identify potential talent gaps and risks and strengthen capabilities and readiness of employees with the potential to take on leadership positions through talent moves and development planning and talent moves. CFSI also has its retirement program for its employees.	
Recommendation 2.5			
1. Board formulates and adopts a policy specifying the relationship between	Compliant	Provide information on or link/reference to a document containing information on the company's remuneration policy and	

remuneration and performance of key officers and board members.		its implementation, including the relationship between remuneration and performance.	
2. Board aligns the remuneration of key officers and board members with long-term interests of the company.	Compliant	CFSI is governed by Citi's compensation and performance management program. Total Compensation may include Annual Salary Rate (ASR) that is based on a salary range established by Citi, an incentive and retention award granted under Citi's company-wide Discretionary Incentive and Retention Award Plan (DIRAP) or Variable Incentive Compensation (VIC) granted under a VIC plan established by individual businesses or functions for certain categories of employees which is determined based on their performance.	
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	Provide information or reference to a document containing information on the company's nomination and election policy and process and its implementation, including the criteria used in selecting new directors, how the shortlisted candidates and how it encourages nominations from shareholders.	
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	Provide proof if minority shareholders have a right to nominate candidates to the board.	
4. Board nomination and election policy includes how the board reviews nominated candidates.	Compliant	Provide information if there was an assessment of the effectiveness of the Board's processes in the nomination, election, or replacement of a director.	
5. Board nomination and election policy includes an assessment of the effectiveness of the Board's	Compliant		

processes in the nomination, election or replacement of a director.		Refer to CFSI Corporate Governance Manual. CFSI has no minority shareholders. The board has conducted an assessment on its effectiveness including the process of nomination.	
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	Provide information on or reference to a document containing the company's policy on related party transaction, including policy on review and approval of significant RPTs Identify transactions that were approved pursuant to the policy.	
2. RPT policy includes appropriate review and approval of material RPTs, which guarantee fairness and transparency of the transactions.	Compliant	CFSI is governed and adheres to the Citigroup Policies on Related Party Transactions. There were no new related party transactions entered by CFSI in 2020	
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 Management led by the Chief Executive Officer (CEO) and the heads of the other control functions (Chief Risk Officer, Chief Compliance Officer and Chief Audit Executive).	Compliant	Provide information on or reference to a document containing the Board's policy and responsibility for approving the selection of management. Identify the Management team appointed. Refer to CFSI Corporate Governance Manual.	

<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>Provide information on or reference to a document containing the Board's policy and responsibility for assessing the performance of management.</p> <p>Provide information on the assessment process and indicate frequency of assessment of performance.</p> <p>CFSI is governed by Citi Philippines framework on performance assessment which is conducted at mid-year and year-end.</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>Provide information on or link/reference to a document containing the Board's performance management framework for management and personnel.</p> <p>CFSI is governed by Citi's annual performance management process which begins with a goal-setting process initiated during the first quarter of the year.</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>Employees and managers agree on goals, which are documented in Citi's performance management system. Performance against goals is reviewed during mid-year and year-end performance reviews.</p>	
<p>Recommendation 2.10</p>			
<p>1. Board oversees that an appropriate internal control system is in place.</p>	<p>Compliant</p>	<p>Provide information on or link/reference to a document showing the Board's responsibility for overseeing that an appropriate internal control system is in place and what is included in the internal control system</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>Refer to CFSI's Corporate Governance Manual.</p>	

3. Board approves the Internal Audit Charter.	Compliant	Provide reference or link to the company's Internal Audit Charter Refer to CFSI website at www.citibank.com.ph/gcb/citibank_insurance/about-cfsi.html?lid=PHENCBGISMITLAboutCFSI	
Recommendation 2.11			
1. Board oversees that the company has in place a sound enterprise risk management (ERM) framework to effectively identify, monitor, assess and manage key business risks.	Compliant	Provide information on or link/reference to a document showing the Board's oversight responsibility on the establishment of a sound enterprise risk management framework and how the board was guided by the framework.	
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.	Compliant	Provide proof of effectiveness of risk management strategies, if any. CFSI is governed by Citi Risk Governance Framework and policies. Internal Audit assessment of the company's degree of risk and issues on the applicable principal risk are reported to the audit committee and the board.	
Recommendation 2.12			
1. Board has a Board Charter that formalizes and clearly states its roles, responsibilities, and accountabilities in carrying out its fiduciary duties.	Compliant	Provide link to the company's website where the Board Charter is disclosed. Refer to CFSI's By-laws in CFSI website.	
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		

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

<p>1. Board establishes board committees that focus on specific board functions to aid in the optimal performance of its roles and responsibilities.</p>	<p>Compliant</p>	<p>Provide information or link/reference to a document containing information on all the board committees established by the company.</p> <p>Refer to the CFSI's Corporate Governance Manual in the CFSI website at www.citibank.com.ph/gcb/citibank_insurance/about-cfsi.html?lid=PHENCBGISMITLAboutCFSI</p>	
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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>Provide information or link/reference to a document containing information on the Audit Committee, including its functions.</p> <p>Indicate if it is the Audit Committee's responsibility to recommend the appointment and removal of the company's external auditor.</p> <p>The Audit Committee shall recommend the appointment and removal of the company's external auditor. Refer to the CFSI's Corporate Governance Manual in the CFSI website at www.citibank.com.ph/gcb/citibank_insurance/about-cfsi.html?lid=PHENCBGISMITLAboutCFSI</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>Compliant</p>	<p>Provide information or link/reference to a document containing information on the members of the Audit Committee, including their qualifications and type of directorship.</p>	

		<p>Refer to Board Committees Profile in CFSI website www.citibank.com.ph/gcb/citibank_insurance/about-cfsi.html?lid=PHENCBGISMITLAboutCFSI</p>	
3. All the members of the committee have relevant background, knowledge, skills, and/or experience in the areas of accounting, auditing and finance.	Compliant	<p>Provide information or link/reference to a document containing information on the background, knowledge, skills, and/or experience of the members of the Audit Committee.</p> <p>Refer to Board Committees Profile in CFSI website www.citibank.com.ph/gcb/citibank_insurance/about-cfsi.html?lid=PHENCBGISMITLAboutCFSI</p>	
4. The Chairman of the Audit Committee is not the Chairman of the Board or of any other committee.	Compliant	<p>Provide information or link/reference to a document containing information on the Chairman of the Audit Committee</p> <p>Refer to Board Committees Profile in CFSI website www.citibank.com.ph/gcb/citibank_insurance/about-cfsi.html?lid=PHENCBGISMITLAboutCFSI</p>	
Recommendation 3.3			
1. Board establishes a Corporate Governance Committee tasked to assist the Board in the performance of its corporate governance responsibilities, including the functions that were formerly assigned to a Nomination and Remuneration Committee.	Compliant	<p>Provide information or reference to a document containing information on the Corporate Governance Committee, including its functions</p> <p>Indicate if the Committee undertook the process of identifying the quality of directors aligned with the company's strategic direction if applicable.</p> <p>In lieu of Corporate governance committee, the function is performed by the board. Refer to CFSI Corporate Governance Manual.</p>	

2. Corporate Governance Committee is composed of at least three members, majority of whom should be independent directors.	Compliant	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. In lieu of Corporate governance committee, the function is performed by the board. Refer to CFSI Corporate Governance Manual.	
3. Chairman of the Corporate Governance Committee is an independent director.	Compliant	Provide information or link/reference to a document containing information on the Chairman of the Corporate Governance Committee. In lieu of Corporate governance committee, the function is performed by the board. Refer to CFSI Corporate Governance Manual.	
Recommendation 3.4			
1. Board establishes a separate Board Risk Oversight Committee (BROC) that should be responsible for the oversight of a company's Enterprise Risk Management system to ensure its functionality and effectiveness.	Compliant	Provide information or link/reference to a document containing information on the Board Risk Oversight Committee (BROC), including its functions In lieu of BROC, the functions are carried out by the Audit Committee. Refer to Audit committee charter in CFSI website.	
2. BROC is composed of at least three members, the majority of whom should be independent directors, including the Chairman.	Compliant	Provide information or link/reference to a document containing information on the members of the BROC, including their qualifications and type of directorship In lieu of BROC, the functions are carried out by the Audit Committee. Refer to Audit committee charter in CFSI website.	
3. The Chairman of the BROC is not the Chairman of the	Compliant	Provide information or link/reference to a document containing information on the Chairman of the BROC	

Board or of any other committee.		In lieu of BROC, the functions are carried out by the Audit Committee. Refer to Audit committee charter in CFSI website.	
4. At least one member of the BROC has relevant thorough knowledge and experience on risk and risk management.	Compliant	Provide information or link/reference to a document containing information on the background, skills, and/or experience of the members of the BROC. In lieu of BROC, the functions are carried out by the Audit Committee. Refer to Audit committee charter in CFSI website.	
Recommendation 3.5			
1. The Board establishes a Related Party Transactions (RPT) Committee, which is tasked with reviewing all material related party transactions of the company.	Compliant	Provide information or link/reference to a document containing information on the Related Party Transactions (RPT) Committee, including its functions. Provide information or link/reference to a document containing information on the members of the RPT Committee, including their qualifications and type of directorship	
2. RPT Committee is composed of at least three non-executive directors, majority of whom should be independent, including the Chairman.	Compliant	In lieu of RPT Committee, the functions are carried out by the Audit Committee. Refer to Audit committee charter.	
Recommendation 3.6			
1. All established committees have a Committee Charters stating in plain terms their respective purposes, memberships, structures, operations, reporting process, resources and other relevant information.	Compliant	Provide information on or link/reference to the company's committee charters, containing all the required information, particularly the functions of the Committee that is necessary for performance evaluation purposes.	

2. Committee Charters provide standards for evaluating the performance of the Committees.	Compliant	Refer to CFSI Audit Committee Charter and CFSI Corporate Governance Manual for the nomination committee.	
3. Committee Charters were fully disclosed on the company's website.	Compliant	Provide link to company's website where the Committee Charters are disclosed. Refer to CFSI website at www.citibank.com.ph/gcb/citibank_insurance/about-cfsi.html?lid=PHENCBGISMITLAboutCFSI	

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 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.	Compliant	Provide information or link/reference to a document containing information on the process and procedure for tele/videoconferencing board and/or committee meetings. Provide information or link/reference to a document containing information on the attendance and participation of directors to Board, Committee, and shareholders' meetings. CFSI has an internal procedure on tele/video conferencing. Board, committee, and shareholders attendance is documented in the minutes of the meetings held.	
2. The directors review meeting materials for all Board and Committee meetings.	Compliant		
3. The directors asks the necessary questions or seek clarifications and explanations during the Board and Committee meetings.	Compliant	Provide information or link/reference to a document containing information on any questions raised or clarification/ explanation sought by the directors.	

		CFSI maintains minutes of meetings documenting the board resolutions.	
Recommendation 4.2			
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 .	Compliant	<p>Disclose if the company has a policy setting the limit of board seats that a non-executive director can hold simultaneously.</p> <p>Provide information or reference to a document containing information on the directorships of the company's directors in both listed and non-listed companies.</p> <p>The CFSI's Corporate Governance Manual states that non-executive directors of the Board can concurrently serve as directors to a maximum of five (5) Insurance Commission Regulated Entities and Publicly Listed Companies to ensure they have sufficient time in performing its duties and responsibilities to the Board.</p>	
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	<p>Provide copy of written notification to the board or minutes of board meeting wherein the matter was discussed.</p> <p>There were no new directorships in other companies accepted by the board of directors in 2020.</p>	
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	<p>Provide information or link/reference to a document containing information on the number of independent directors in the board.</p> <p>CFSI has 7 members of the board of which 2 are independent directors.</p>	

Recommendation 5.2			
1. The independent directors possess all the necessary qualifications and none of the disqualifications to hold the position.	Compliant	Provide information or link/reference to a document containing information on the qualifications of the independent directors. Refer to the list of Board of Directors Profile on CFSI website.	.
Recommendation 5.3			
1. The independent directors serve 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 be from 21 September 2016. 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.	Compliant	Provide information or link/reference to a document showing the years IDs have served as such. Refer to the list of Board of Directors Profile on CFSI website.	
2. The company bars an independent director from serving in such capacity after the term limit of nine years.	Compliant	Provide information or link/reference to a document containing information on the company's policy on term limits for its independent director. Refer to CFSI Corporate Governance Manual	

<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>Provide proof on submission of a formal written justification to the Insurance Commission and proof of shareholders' approval during the annual shareholders' meeting.</p> <p>CFSI's independent directors have held the position for 3 years reckoning from June 2018, the effectivity of the IC circular 2018-36</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>Identify the company's Chairman of the Board and Chief Executive Officer.</p> <p>CFSI's chairman of the board is Mr. Aftab Ahmed while its President is Mr. Ramon Melchor Tejero.</p>	
<p>2. The Chairman of the Board and Chief Executive Officer have clearly defined responsibilities.</p>	<p>Compliant</p>	<p>Provide information or link/reference to a document containing information on the roles and responsibilities of the Chairman of the Board and Chief Executive Officer.</p> <p>Identify the relationship of Chairman and CEO.</p> <p>Refer to CFSI's Corporate Governance Manual.</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 independent director among the independent directors.</p>	<p>Compliant</p>	<p>Provide information or link/reference to a document containing information on a lead independent director and his roles and responsibilities, if any.</p> <p>Indicate if Chairman is independent.</p> <p>The Chairman of the board is not an independent director but the chairman and president of CFSI are held by separate individuals.</p>	

Recommendation 5.6			
1. Directors with material interest in a transaction affecting the corporation should abstain from taking part in the deliberations for the same.	Compliant	Provide proof of abstention if this was the case. There were no transactions in which a director has a material interest were entered into by CFSI in 2020.	
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 directors present to ensure that proper checks and balances are in place within the corporation.	Compliant	Provide proof and details of said meeting, if any. Provide information on the frequency and attendees of meetings. Discussions are held during Philippine Country Coordinating Committee (PCCC) held monthly attended by the majority of the non-executive directors.	
2. The meetings are chaired by the lead independent director.	Compliant	Discussions are also held at Audit Committee meetings chaired by the Independent Director. Refer to CFSI Website for PCCC meetings held in 2020,	
Principle 6: The best measure of the Board's effectiveness through an assessment process, The Board s 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. The Board conducts an annual assessment of its performance.	Compliant	Provide proof of annual assessments conducted for the whole board, the individual members, the Chairman, and the Committees.	
2. The performance of the Chairman is assessed annually by the Board	Compliant	Board annual assessment including the committees were performed for 2020. Refer to CFSI website on results of board assessment.	
3. The performance of the individual member of the Board is assessed annually by the Board.	Compliant		

4. The performance of each committee is assessed annually by the Board.	Compliant		
5. Every three years, the assessments are supported by an external facilitator.	Compliant	Identify the external facilitator and provide proof of use of an external facilitator. The assessment to be supported by an external facilitator is not due for 2020.	
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	Provide information or link/reference to a document containing information on the system of the company to evaluate the performance of the board, individual directors, and committees, including a feedback mechanism from shareholders.	
2. The system allows for a feedback mechanism from the shareholders.	Compliant	CFSI board conducts an annual self-assessment of their own performance and review of the committees which includes feedback on areas for improvement.	
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	Provide information on or link/reference to the company's Code of Business Conduct and Ethics. CFSI is governed by Citigroup's Code of Conduct at www.citigroup.com/citi/investor/data/codeconduct_en.pdf	
2. The Code is properly disseminated to the Board, senior management, and employees.	Compliant	Provide information on or discuss how the company disseminated the Code to its Board, senior management, and employees. Citi's code of conduct is disseminated to the employees, board, senior	

		management through emails or online trainings.	
3. The Code is disclosed and made available to the public through the company website.	Compliant	Provide a link to the company's website where the Code of Business Conduct and Ethics is posted/ disclosed. www.citigroup.com/citi/investor/data/codeofconduct_en.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	Provide proof of implementation and monitoring of compliance with the Code of Business Conduct and Ethics and internal policies. Citi employees attest to the Code of Conduct when joining Citi and reaffirm every other year by completing Code of Conduct Training. A Code of Conduct online training was completed in 2020. Refer to List of Key officers for trainings completed on Code of Conduct	
2. Board ensures the proper and efficient implementation and monitoring of compliance with company internal policies.	Compliant	Indicate who are required to comply with the Code of Business Conduct and Ethics and any findings on non-compliance. All CFSI employees are required to comply with Citigroup's Code of Conduct. There were no findings on non-compliance in 2020.	
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	Compliant	Provide information on or link/reference to the company's disclosure policies and procedures including reports distributed/made available to shareholders and other stockholders.	

shareholders and other stakeholders that gives a fair and complete picture of a company's financial condition, results and business operations.		CFSI report its financial conditions, results of business operations and other material information impacting the business in the board and shareholder meetings.	
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.	Compliant	Provide link or reference to the directors' academic qualifications, share ownership in the company, membership in other boards, other executive positions, professional experiences, expertise, and relevant trainings attended. Refer to CFSI website for the board of director's profile.	
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.	Compliant	Provide link or reference to the key officers' academic qualifications, share ownership in the company, membership in other boards, other executive positions, professional experiences, expertise, and relevant trainings attended. Refer to CFSI website for board director's profile.	
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 in the Annual Corporate Governance Report consistent with ASEAN Corporate Governance Scorecard (ACGS) and the Revised Corporation Code.	Compliant	Disclose or provide link/reference to the company policy and practice for setting board remuneration. CFSI's Board compensation is governed by Citi Policies on director compensation and subject to approval by the CFSI board.	

<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>	<p>Compliant</p>	<p>Disclose or provide link/reference to the company policy and practice for determining executive remuneration.</p> <p>CFSI is governed by Citi's compensation and performance management program. Total Compensation may include Annual Salary Rate (ASR) that is based on a salary range established by Citi, and an incentive and retention award granted under Citi's company-wide Discretionary Incentive and Retention Award Plan (DIRAP). or Variable Incentive Compensation (VIC) granted under a VIC plan established by individual businesses or functions for certain categories of employees which is determined based on their performance.</p>	
<p>3. Company discloses the remuneration on an individual basis, including termination and retirement provisions.</p>	<p>Compliant</p>	<p>Provide breakdown of director remuneration and executive compensation, particularly the remuneration of the CEO.</p> <p>Refer to CFSI website for the remuneration.</p>	
<p>Recommendation 8.5</p>			
<p>1. Company discloses its policies governing Related Party Transactions (RPTs) and other unusual or infrequently occurring transactions.</p>	<p>Compliant</p>	<p>Disclose or provide reference/link to company's RPT policies</p> <p>Indicate if the director with conflict of interest abstained from the board discussion on that particular transaction.</p> <p>CFSI is governed and adheres to Citigroup policies on related party transactions. CFSI is governed and a CFSI has no new RPT for 2020.</p>	
<p>2. Company discloses material or significant RPTs in its Annual Company Report or Annual Corporate Governance</p>	<p>Compliant</p>	<p>Provide information on all RPTs for the previous year or reference to a document containing the following information on all RPTs:</p>	

<p>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.</p>		<ol style="list-style-type: none"> 1. Name of the related counterparty; 2. Relationship with the party; 3. Transaction date; 4. Type/nature of transaction; 5. Amount or contract price; 6. Terms of the transaction; 7. Rationale for entering into the transaction; 8. The required approval (i.e., names of the board of directors approving, names and percentage of shareholders who approved) based on the company's policy; and <p>Other terms and conditions.</p> <p>CFSI does not issue an Annual Company Report as its not a publicly listed company. CFSI has no new RPT for 2020.</p>	
Recommendation 8.7			
<p>1. Company's corporate governance policies, programs and procedures are contained in its Manual on Corporate Governance (MCG).</p>	<p>Compliant</p>	<p>Provide link to the company's website where the Manual on Corporate Governance is posted.</p> <p>Refer to CFSI website at www.citibank.com.ph/gcb/citibank_insurance/about-cfsi.html?lid=PHENCBGISMITLAboutCFSI</p>	
<p>2. Company's MCG is posted on its company website.</p>	<p>Compliant</p>		
<p>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.</p>			

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	Provide information or link/reference to a document containing information on the process for approving and recommending the appointment, reappointment, removal, and fees of the company's external auditor. Refer to CFSI's Corporate Governance Manual	
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	Indicate the percentage of shareholders that ratified the appointment, reappointment, removal, and fees of the external auditor. 100% of the shareholders approved the re-appointment of CFSI's external auditor.	
3. For removal of the external auditor, the reasons for removal or change are disclosed to the regulators and the public through the company website and required disclosures.	Compliant	Provide information on or link/reference to a document containing the company's reason for removal or change of external auditor. CFSI did not change its 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	Compliant	Provide link/reference to the company's Audit Committee Charter. Refer to CFSI's Audit Committee Charter in CFSI website.	

objectivity; and exercising effective oversight to review and monitor the effectiveness of the audit process, taking into consideration relevant Philippine professional and regulatory requirements.			
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	Provide link/reference to the company's Audit Committee Charter. Refer to CFSI Corporate Governance Manual at CFSI website www.citibank.com.ph/qcb/citibank_insurance/about-cfsi.html?lid=PHENCBGISMITLAboutCFSI	
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	Disclose the nature of non-audit services performed by the external auditor, if any. CFSI did not engage its external auditor for non-audit services in 2020.	
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	Provide link or reference to guidelines or policies on non-audit services. Refer to CFSI's Audit Committee Charter.	
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	Compliant	Disclose or provide link on the company's policies and practices on the disclosure of non-financial information, including EESG issues. CFSI is governed by Citigroup's environmental, social and governance	

its business, which underpin sustainability.		framework which can be found at www.citigroup.com	
2. Company adopts a globally recognized standard / framework in reporting sustainability and non-financial issues.	Compliant	Provide link to Sustainability Report, if any. Disclose the standards used. CFSI is governed by Citigroup's environmental, social and governance framework. Citigroup's sustainability strategy can be found at www.citigroup.com/citi/sustainability	

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. The company should have a website to ensure a comprehensive, cost efficient, transparent, and timely manner of disseminating relevant information to the public.	Compliant	Disclose and identify the communication channels used by the company (i.e., website, Analyst's briefing, Media briefings /press conferences, Quarterly reporting, Current reporting, etc.). Provide links, if any. Refer to CFSI website at www.citibank.com.ph/gcb/citibank_insurance/about-cfsi.html?lid=PHENCBGISMITLAboutCFSI	
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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	List quality service programs for the internal audit functions. Indicate frequency of review of the internal control system. Citi's Internal Audit follows a risk-based approach in determining the cycle of audit coverage. The cycle of risk-based audit	Source: IA
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		<p>coverage (1 to 4 years) is determined by the Composite Risk Assessment Score of the Audit Entity under which the audit requirements will be provided. The Composite Risk Assessment is the overall risk assessment of the audit entity and is derived by taking into consideration the results of Citigroup Level and Country Level Risk Assessments. Internal Audit is committed to provide assurance on the key controls mitigating key risks of audit entities based on the prescribed frequency:</p> <ol style="list-style-type: none"> 1. High risk audit entities must be audited within 18 months 2. This can be forced to 12 months with justification (e.g. regulatory requirement) 3. Medium-High risk audit entities must be audited within 24 months 4. Medium-Low risk audit entities must be audited within 36 months 5. Low risk audit entities must be audited within 48 months 	
<p>2. Company has an adequate and effective enterprise risk management framework in the conduct of its business.</p>	<p>Compliant</p>	<p>Identify international framework used for Enterprise Risk Management.</p> <p>Provide information or reference to a document containing information on:</p> <ol style="list-style-type: none"> 1. Company's risk management procedures and processes 2. Key risks the company is currently facing 	

		<p>3. How the company manages the key risks</p> <p>Indicate frequency of review of the enterprise risk management framework.</p> <p>CFSI is governed by Citi Risk Governance Framework and policies. Internal Audit assessment of the company's degree of risk and issues on the applicable principal risk are reported to the audit committee and the board on a quarterly basis. Currently, the company is facing operational resiliency risks related to the ongoing pandemic.</p>	
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	<p>Disclose if the internal audit is in-house or outsourced. If outsourced, identify external firm.</p> <p>The internal audit function is performed by Citibank for CFSI.</p>	
1. The company has a qualified Chief Audit Executive (CAE) appointed by the Board.	Compliant	<p>Identify the company's Chief Audit Executive (CAE) and provide information on or reference to a document containing his/her responsibilities.</p> <p>The internal audit function is performed by Citibank for CFSI. Internal audit's responsibility is set forth in CFSI's Corporate Governance Manual.</p>	
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.	Compliant		
3. In case of a fully outsourced internal audit activity, a qualified independent executive or senior management personnel is assigned the responsibility for	Compliant	<p>Identify qualified independent executive or senior management personnel, if applicable.</p> <p>The internal audit function is performed by Citibank for CFSI.</p>	

managing the fully outsourced internal audit activity.			
Recommendation 12.4			
1. The company has a separate risk management function to identify, assess and monitor key risk exposures.	Compliant	Provide information on company 's risk management function. Citi has independent control functions and support control functions such as compliance, legal, operational risk management, business information security officer) who are responsible for identifying, measuring, monitoring risk of the company.	
Recommendation 12.5			
1. In managing the company's Risk Management System, the company has a Chief Risk Officer (CRO), who is ultimate champion of Enterprise Risk Management (ERM)	Compliant	Identify the company's Chief Risk Officer (CRO) and provide information on or reference to a document containing his/her responsibilities and qualifications/background.	
2. CRO has adequate authority, stature, resources, and support to fulfill his/her responsibilities.	Compliant	CFSI has designated its Compliance Officer as its Chief Risk Officer.	
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	Provide link or reference to the company's Manual on Corporate Governance where shareholders ' rights are disclosed.	
2. Board ensures that basic shareholder rights are disclosed on the company's website.		Provide link to company's website Refer to CFSI Corporate Governance Manual at CFSI website www.citibank.com.ph/gcb/citibank_insurance/about-cfsi.html?lid=PHENCBGISMITLAboutCFSI	
Recommendation 13.2			

<p>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.</p>	<p>Compliant</p>	<p>Indicate the number of days before the annual stockholders' meeting or special stockholders' meeting when the notice and agenda were sent out</p> <p>Indicate whether shareholders' approval of remuneration or any changes therein were included in the agenda of the meeting.</p> <p>Provide link to the Agenda included in the company's Information Statement</p> <p>The notice to the annual shareholder's meeting was sent out 21 days before the meeting. There were no changes in the independent directors' remuneration for the period. Refer to CFSI website for the discussion held in the annual stockholder'</p>	
<p>Recommendation 13.3</p>			
<p>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.</p>	<p>Compliant</p>	<p>Provide information or reference to a document containing information on all relevant questions raised and answers during the ASM and special meeting and the results of the vote taken during the most recent ASM/SSM.</p> <p>All directors were present, and shareholders were duly represented in the 2020 Annual Shareholders meeting. Refer to CFSI website for the discussion held in the annual stockholder'</p>	
<p>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.</p>	<p>Compliant</p>	<p>Provide link to minutes of meeting in the company website.</p> <p>Indicate voting results for all agenda items, including the approving, dissenting and abstaining votes.</p>	

		<p>Indicate also if the voting on resolutions was by poll.</p> <p>Include whether there was opportunity to ask question and the answers given, if any.</p> <p>Refer to CFSI website for the discussion held in the annual stockholder'</p>	
Recommendation 13.4			
1. Board has an alternative dispute mechanism to resolve intra-corporate disputes in an amicable and effective manner	Compliant	<p>Provide details of the alternative dispute resolution made available to resolve intra-corporate disputes.</p> <p>Refer to CFSI Corporate Governance Manual</p>	
2. The alternative dispute mechanism is included in the company's Manual on Corporate Governance.	Compliant	<p>Provide link/reference to where it is found in the Manual on Corporate Governance.</p> <p>Refer to CFSI Corporate Governance Manual at CFSI website www.citibank.com.ph/gcb/citibank_insurance/about-cfsi.html?lid=PHENCBGISMITLAboutCFSI</p>	
Duties to Stakeholders			
<p>Principle 14: The rights of stakeholders established by law, by contractual relations and through voluntary commitments must be respected. Where stakeholders' rights and/or interests are at stake, stakeholders should have the opportunity to obtain prompt effective redress for the violation of their rights.</p>			
Recommendation 14.1			
1. Board identifies the company's various stakeholders and promotes cooperation between them and the company in creating wealth, growth, and sustainability.	Compliant	<p>Identify the company's shareholder and provide information or reference to a document containing information on the company's policies and programs for its stakeholders.</p> <p>Refer to CFSI's Corporate Governance Manual</p>	

Recommendation 14.2			
1. Board establishes clear policies and programs to provide a mechanism on the fair treatment and protection of stakeholders.	Compliant	<p>Identify policies and programs for the protection and fair treatment of company's stakeholders.</p> <p style="color: red;">Refer to CFSI Corporate Governance Manual</p>	
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>Provide the contact details (i.e. name of contact person, dedicated phone number or e-mail address, etc.) which stakeholders can use to voice their concerns and/or complaints for possible violation of their rights.</p> <p>Provide information on whistleblowing policy, practices, and procedures for stakeholders.</p> <p style="color: red;">CFSI customers can raise any concerns by calling Citiphone at 8995-9999. CFSI adheres to Citigroup's framework in escalating business and ethical concerns as set forth in Citigroup's Code of Conduct.</p>	
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	<p>Provide information on or link/reference to company policies, programs and procedures that encourage employee participation.</p> <p style="color: red;">CFSI conducts discussion of its company goals and plans to its employees which gives the employees an opportunity to share their suggestions in achieving the company's goals. Further, employee participation in achieving company's goal</p>	

		is encouraged through the individual employee's goal setting performed at the beginning of the year.	
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	Identify or provide link/reference to the company's policies, programs, and practices on anti-corruption. CFSI is governed by Citigroup's Anti-Bribery policies and program as indicated in Citigroup's Code of Conduct.	
2. Board disseminates the policy and program to employees across the organization through trainings to embed them in the company's culture.	Compliant	Identify how the board disseminated the policy and program to employees across the organization. Citigroup Code of Conduct and anti-bribery policies and program are disseminated to the employees through emails or online trainings.	
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	Disclose or provide link/reference to the company whistle-blowing policy and procedure for employees. Indicate if the framework includes procedures to protect the employees from retaliation.	
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	Provide contact details to report any illegal or unethical behavior. CFSI adhere to Citigroup's framework in escalating business and ethical concerns, including prohibition of workplace retaliation as set forth in Citigroup's Code of Conduct. Citi's Ethic Office contact details can be found in Code of Conduct found at the www.citigroup.com . Any concerns	

		reported related to CFSI are cascaded to the company for handling.	
3. Board supervises and ensures the enforcement of the whistleblowing framework.	Compliant	Provide information on how the board supervised and ensured enforcement of the whistleblowing framework, including any incident of whistleblowing. Whistleblowing incidences, if any, are reported to the board.	

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	Provide information or reference to a document containing information on the company's community involvement and environment-related programs. Every year, Citi colleagues, alumni, partners, clients, family, and friends come together to participate in Global Community Day, Citi's annual flagship volunteer initiative, to give back to the communities where Citi staff live and work. Traditionally, Global Community Day is celebrated through in-person events where Citi staff roll up their sleeves and engage in various service activities – from packaging meals for families in need, to cleaning up and planting flowers in our public parks.	
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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 based on authentic records.

Signed in the City of _____ on the _____ of _____ 20 _____.

Aftab Ahmed
CHAIRMAN OF THE BOARD
Signature over printed name

Ramon Melchor Tejero
PRESIDENT / CEO
Signature over printed name

Mark Vergara
CORPORATE SECRETARY
Signature over printed name

Katherine Lipana
**CORPORATE GOVERNANCE
COMPLIANCE OFFICER**
Signature over printed name

Regina Morales
INDEPENDENT DIRECTOR
Signature over printed name

John Castro
INDEPENDENT DIRECTOR
Signature over printed name

SUBSCRIBED AND SWORN to before me this _____ day of _____, 20 _____, by the following who are all personally known to me (or whom I have identified through competent evidence or identity) and who exhibited to me their respective identification document as follows:

	NAME	ID NO.	DATE / PLACE ISSUED
1.			
2.			
3.			
4.			
5.			
6.			

NOTARY PUBLIC

Doc No. _____;
Page No. _____;
Book No. _____;
Series of 20_____.

