

**ANNUAL CORPORATE GOVERNANCE REPORT
MARSH PHILIPPINES, INC.**

1. For the fiscal year ended 2022.
2. Certificate Authority Number IB-21-2019-R
3. Incorporated in the Philippines
4. Address of principal office 20/F Six Neo Building, 26th Street, Bonifacio Global City, Taguig 1634, Philippines
5. Company's telephone number, including area code +63 2 7902 3000
6. Company's official website <https://www.marsh.com/ph/about-marsh/transparency-and-disclosure.html>

ANNUAL CORPORATE GOVERNANCE REPORT

	COMPLIANT/ NON- COMPLIANT	ADDITIONAL INFORMATION	EXPLANATION
you The Board's Governance Responsibilities			
Principle 1: The company should be headed by a competent, working board to foster the long- term success of the corporation, and to sustain its competitiveness and profitability in a manner consistent with its corporate objectives and the long- term best interests of its shareholders and other stakeholders.			
Recommendation 1.1			
1. Board is composed of directors with collective working knowledge, experience or expertise that is relevant to the company's industry/sector.	Compliant	<p>Source document/s:</p> <p>(1) Profile of our members of the Board</p> <p>(2) Terms of Reference – Nomination and Remuneration Committee</p> <p>Link: https://www.marsh.com/ph/about/about-marsh/transparency-and-disclosure.html</p>	Our members of the Board have local and international experience in insurance and are seasoned directors. They graduated from reputable schools in the country and have taken relevant trainings.
2. Board has an appropriate mix of competence and expertise.	Compliant		Our members of the Board have local and international experience in insurance and are seasoned directors. They graduated from reputable schools in the country and have taken relevant trainings.
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		Our members of the Board have local and international experience in insurance and are seasoned directors. They graduated from reputable schools in the country and have taken relevant trainings.
Recommendation 1.2			
1. Board is composed of a majority of non-executive directors.	Compliant*	<p>Source document/s:</p> <p>2022 General Information Sheet</p> <p>Link: https://www.marsh.com/ph/about/about-marsh/transparency-and-disclosure.html</p>	Marsh is currently reducing the number of its Board members from nine (9) to five (5). Once this is effective, the Board shall be composed of a majority of non-executive directors and would be compliant under this item.

Recommendation 1.3			
1. Company provides in its Board Charter and Manual on Corporate Governance a policy on training of directors.	Compliant	<p>Source document/s:</p> <p>(1) Manual of Corporate Governance</p> <p>(2) Board Charter</p> <p>Link: https://www.marsh.com/ph/about/about-marsh/transparency-and-disclosure.html</p>	We have a Manual on Corporate Governance and Board Charter that the Board approved last February 2021. An annual training plan is set for the members of the Board.
2. Company has an orientation program for first time directors.	Compliant	<p>Source document/s:</p> <p>(1) Manual of Corporate Governance</p> <p>(2) Board Charter</p> <p>Link: https://www.marsh.com/ph/about/about-marsh/transparency-and-disclosure.html</p>	We have a Manual on Corporate Governance and Board Charter that the Board approved last February 2021 which provides a training program for all directors including first time directors.
3. Company has relevant annual continuing training for all directors.	Compliant		Some of our directors have attended relevant annual continuing training provided by our Compliance team.
Recommendation 1.4			

1. Board has a policy on board diversity.	Compliant	<p>Source document/s:</p> <ul style="list-style-type: none"> (1) Manual of Corporate Governance (2) Board Charter (3) Terms of Reference - Nomination and Remuneration Committee (4) 2022 General Information Sheet (5) Marsh PH statement on the policy on inclusion and diversity <p>Links:</p> <p>https://www.marsh.com/ph/about/about-marsh/diversity-and-inclusion-marsh.html?bsrc=marsh</p> <p>https://www.marsh.com/ph/about/about-marsh/transparency-and-disclosure.html</p>	<p>Our Manual on Corporate Governance and Board Charter that the Board approved last February 2021 provides for policy on Board diversity. Further, board diversity is part of the global diversity policy of Marsh to which all operating entities adhere to.</p> <p>As of the end of 2022, we had 6 male members and 1 female member of the Board. However, after the 2023 Annual Stockholders Meeting of Marsh, it now has 2 female members and 3 male members of the Board.</p> <p>Marsh is currently reducing the number of its Board members from nine (9) to five (5).</p>
Recommendation 1.5			
1. Board is assisted by a Corporate Secretary.	Compliant	<p>Source document/s:</p> <ul style="list-style-type: none"> (1) Amended by-laws of Marsh (2) Board Charter (3) 2022 General Information Sheet <p>Links:</p> <p>https://accralaw.com/lawyers/andre-b-</p>	<p>Our corporate secretary is Atty. Andre B. Navato, Jr., a seasoned lawyer and Senior Partner at ACCRA Law Offices, recognized as a leading lawyer in the Asia Pacific Legal 500 for 2020. He took his Juris Doctor at the Ateneo de Manila University and Master of Laws at Cornell University, USA.</p>

2. Corporate Secretary is a separate individual from the Compliance Officer.	Compliant	navato-jr/ Link: https://www.marsh.com/ph/about/about-marsh/transparency-and-disclosure.html	The interim Compliance Officer is Mr. Ryan Quan-Chai – Chief Compliance Officer for Marsh South Asia. He has extensive experience in compliance from his various local and regional positions in various regulated and non-regulated entities.
3. Corporate Secretary is not a member of the Board of Directors.	Compliant	Source document/s: 2022 General Information Sheet	The General Information Sheet shows that our Corporate Secretary is not a member of the Board of Directors.
4. Corporate Secretary attends training/s on corporate governance.	Compliant	Source document/s: (1) Manual on Corporate Governance (2) Board Charter	In the February 2021 Board Meeting, the Board approved and adopted the Manual of Corporate Governance and the Board Charter which required the Corporate Secretary to attend a training on Corporate Governance on an annual basis.

Recommendation 1.6

1. Board is assisted by a Compliance Officer.	Compliant	<p>Source document/s:</p> <ul style="list-style-type: none"> (1) Manual on Corporate Governance (2) Amended by-laws of Marsh (3) 2022 General Information Sheet (4) Terms of Reference- Risk Management, Audit, Compliance, Corporate Governance Committee 	<p>The interim Compliance Officer is Mr. Ryan Quan-Chai – Chief Compliance Officer for Marsh South Asia. He has extensive experience in compliance from his various local and regional positions in various regulated and non-regulated entities. He oversees the Risk Management, Audit, Compliance, and Corporate Governance functions.</p>
2. Compliance Officer has a rank of Senior Vice President or an equivalent position with adequate stature and authority in the corporation.	Compliant	<p>Link: https://www.marsh.com/ph/about/about-marsh/transparency-and-disclosure.html</p>	<p>Legal and Compliance is an established function, which is an independent position with local and regional lines. He is a senior executive who is part of the Marsh Philippines, Inc.'s Management Team reporting to the CEO. A Compliance Officer was hired last January 2021 occupying the position of Vice President and headed the Legal, Compliance and Public Affairs unit until July 29, 2022. The interim Compliance Officer is Mr. Ryan Quan-Chai – Chief Compliance Officer for Marsh South Asia.</p>
3. Compliance Officer is not a member of the board.	Compliant		<p>The Compliance Officer does not sit as member of the Board. This is clearly stated in the Manual of Corporate Governance of the company and in the latest General Information Sheet.</p>

4. Compliance Officer attends training/s on corporate governance.	Compliant	<p>Source document/s:</p> <p>Manual on Corporate Governance</p> <p>Link: https://www.marsh.com/ph/about/about-marsh/transparency-and-disclosure.html</p>	<p>The interim Compliance Officer is Mr. Ryan Quan-Chai – Chief Compliance Officer for Marsh South Asia. The company supports the attendance of the Compliance Officer to trainings, both in-house and external (whenever possible due to the pandemic), on Corporate Governance. The current Compliance Officer has a decade of experience in compliance function across multiple organizations.</p>
---	-----------	--	---

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	<p>Source Document/s:</p> <p>(1) Manual of Corporate Governance (2) Board Charter</p> <p>Link: https://www.marsh.com/ph/about/about-marsh/transparency-and-disclosure.html</p>	<p>The company allows the Board to have fruitful and meaningful discussions and come up with decisions in the best interest of the company. Its 2 independent directors actively participate in the discussions as well, given their expertise and experience.</p>
--	-----------	---	--

Recommendation 2.2

1. Board oversees the development, review and approval of the company’s business objectives and strategy.	Compliant	<p>Source Document/s</p> <p>(1) Manual of Corporate Governance (2) Board Charter</p>	
2. Board oversees and monitors the implementation of the company’s business objectives and strategy.	Compliant	<p>Link: https://www.marsh.com/ph/about/about-marsh/transparency-and-disclosure.html</p>	

Recommendation 2.3

1. Board is headed by a competent and qualified Chairperson.	Compliant	<p>Source Document/s</p> <p>Profile of our leadership Team</p> <p>Link:</p> <p>https://www.marsh.com/ph/about-marsh/leadership.html</p> <p>https://www.marsh.com/ph/about/about-marsh/transparency-and-disclosure.html</p>	In 2022, the Chairman of the Board was Mr. Ramon Zanduetta, a seasoned insurance executive with decades of experience in Insurance. He used to be Marsh Philippines' Chief Executive Officer. The current Chairman, for 2023, is Ms. Godelieve van Dooren, the CEO of Marsh McLennan South East Asia.
Recommendation 2.4			
1. Board ensures and adopts an effective succession planning program for directors, key officers and management.	Compliant	<p>Source Document/s</p> <p>(1) Board Charter (2) Terms of Reference – Nomination and Remuneration Committee</p>	HR has a structured Succession Planning Program for executive directors, key officers and management. For non-executive directors, the Board Committee has a program in place for this.
2. Board adopts a policy on the retirement for directors and key officers.	Compliant	<p>Link:</p> <p>https://www.marsh.com/ph/about/about-marsh/transparency-and-disclosure.html</p>	HR has a structured Succession Planning Program for executive directors, key officers and management. For non-executive directors, the Board Committee has a program in place for this.
Recommendation 2.5			
1. Board aligns the remuneration of key officers and board members with long-term interests of the company.	Compliant	<p>Source Document/s</p> <p>(1) Board Charter (2) Terms of Reference – Nomination and Remuneration</p>	Marsh has a remuneration structure that is applicable to all Marsh offices across the globe. This is ensured to be fair, equitable and based on merits.

2. Board formulates and adopts a policy specifying the relationship between remuneration and performance of key officers and board members.	Compliant	Committee Link: https://www.marsh.com/ph/about/about-marsh/transparency-and-disclosure.html	Marsh has a remuneration structure that is applicable to all Marsh offices across the globe. This is ensured to be fair, equitable and based on merits.
3. Directors do not participate in discussions or deliberations involving his/her own remuneration.	Compliant		Including remuneration set for directors, Marsh has a remuneration structure that is applicable to all Marsh offices across the globe. This is ensured to be fair, equitable and based on merits.
Recommendation 2.6			
1. Board has a formal and transparent board nomination and election policy.	Compliant	Source Document/s: (1) Terms of Reference of Nomination and Remuneration Committee Link: https://www.marsh.com/ph/about/about-marsh/transparency-and-disclosure.html	The Terms of Reference of the Nomination and Remuneration Committee sets out the policy on nomination and election of board.
2. Board nomination and election policy is disclosed in the company's Manual on Corporate Governance.	Compliant		The Terms of Reference of the Nomination and Remuneration Committee sets out the policy on nomination and election of board.
3. Board nomination and election policy includes how the company accepted nominations from minority shareholders.	Compliant		The Terms of Reference of the Nomination and Remuneration Committee sets out the policy on nomination and election of board.
4. Board nomination and election policy includes how the board reviews nominated candidates.	Compliant		The Terms of Reference of the Nomination and Remuneration Committee sets out the policy on nomination and election of board.
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		The Terms of Reference of the Nomination and Remuneration Committee sets out the policy on nomination and election of board.

6. Board has a process for identifying the quality of directors that is aligned with the strategic direction of the company.	Compliant		The Terms of Reference of the Nomination and Remuneration Committee sets out the policy on nomination and election of board.
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	Link: https://www.marsh.com/ph/about/about-marsh/transparency-and-disclosure.html	While this is not applicable to brokers, since the Circular requiring RPT Policy applies only to Insurance companies, we comply with US accounting principles and we follow this through the requirements of the Bureau Internal Revenue (BIR).
2. RPT policy includes appropriate review and approval of material RPTs, which guarantee fairness and transparency of the transactions.	Compliant		While this is not applicable to brokers, since the Circular requiring RPT Policy applies only to Insurance companies, we comply with US accounting principles and we follow this through the requirements of the BIR.
3. RPT policy encompasses all entities within the group, taking into account their size, structure, risk profile and complexity of operations.	Compliant		While this is not applicable to brokers, since the Circular requiring RPT Policy applies only to Insurance companies, we comply with US accounting principles and we follow this through the requirements of the BIR.
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	Source Document/s: Company By-laws Link: https://www.marsh.com/ph/about/about-marsh/transparency-and-disclosure.html	Management team includes: CEO - Paulino Garcia III Compliance/ Risk – Ryan Quan-Chai

<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>Source Document/s:</p> <ul style="list-style-type: none"> (1) Manual of Corporate Governance (2) Board Charter (3) Terms of Reference of Nomination and Remuneration Committee <p>Link: https://www.marsh.com/ph/about/about-marsh/transparency-and-disclosure.html</p>	<p>The Manual of Corporate Governance and Board Charter and the Terms of Reference (TOR) of the Nomination and Remuneration Committee sets out the responsibility of the Board in assessing performance of management.</p>
Recommendation 2.9			
<p>1. Board establishes an effective performance management framework that ensures that Management's performance is at par with the standards set by the Board and Senior Management.</p>	<p>Compliant</p>	<p>Source Document/s:</p> <ul style="list-style-type: none"> (1) Manual of Corporate Governance (2) Board Charter (3) Terms of Reference of Nomination and Remuneration Committee <p>Link: https://www.marsh.com/ph/about/about-marsh/transparency-and-disclosure.html</p>	<p>The Manual of Corporate Governance and Board Charter and the TOR of the Nomination and Remuneration Committee sets out the responsibility of the Board in assessing performance of management</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>The Manual of Corporate Governance and Board Charter and the TOR of the Nomination and Remuneration Committee sets out the responsibility of the Board in assessing performance of management</p>
Recommendation 2.10			
<p>1. Board oversees that an appropriate internal control system is in place.</p>	<p>Compliant</p>	<p>Source Document/s:</p> <ul style="list-style-type: none"> (1) Board Charter (2) Matters reserved to the Board (3) The Greater Good (Code of Conduct) (4) Terms of Reference - Board Risk 	<p>We have a Board Committee on Risk, Compliance, Corporate Governance and Internal Audit. Also, we have an interim Compliance Officer to ensure compliance to local rules and regulations as well as local and global policies of Marsh.</p>

2. The internal control system includes a mechanism for monitoring and managing potential conflict of interest of the Management, members and shareholders.	Compliant	<p>Management, Audit, Compliance, Corporate Governance Committee</p> <p>Link: https://www.marsh.com/ph/about/about-marsh/transparency-and-disclosure.html</p>	We have a Board Committee on Risk, Compliance, Corporate Governance and Internal Audit. Also, we have an interim Compliance Office to ensure compliance to local rules and regulations as well as local and global policies of Marsh one of which is the Conflict of Interest Policy.
3. Board approves the Internal Audit Charter.	Compliant	<p>Source Document/s:</p> <ul style="list-style-type: none"> (1) Minutes of the Meeting of the Board (2) The Greater Good (Code of Conduct) (3) Terms of Reference - Board Risk, Audit, Compliance, Corporate Governance Committee <p>Link: https://www.marsh.com/ph/about/about-marsh/transparency-and-disclosure.html</p>	<p>We have a Risk, Audit, Compliance and Corporate Governance Committee and the Terms of Reference of the said Committee.</p> <p>We have an internal audit team with a charter that performs audit functions at the MMC level.</p>
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	<p>Source Document/s:</p> <ul style="list-style-type: none"> (1) Manual on Corporate Governance (2) Board Charter (3) Terms of Reference- Risk, Audit, Compliance, Corporate Governance Committee 	We have a Risk, Audit, Compliance and Corporate Governance Committee and the Terms of Reference of the said Committee.
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	<p>Link: https://www.marsh.com/ph/about/about-marsh/transparency-and-disclosure.html</p>	We have a Risk, Audit, Compliance and Corporate Governance Committee and the Terms of Reference of the said Committee.

Recommendation 2.12			
1. Board has a Board Charter that formalizes and clearly states its roles, responsibilities and accountabilities in carrying out its fiduciary role.	Compliant	Source Document/s: (1) Manual on Corporate Governance (2) Board Charter	In the February 2021 Board Meeting of Marsh, the Board approved and adopted the Manual on Corporate Governance and the Board Charter.
2. Board Charter serves as a guide to the directors in the performance of their functions.	Compliant	Link: https://www.marsh.com/ph/about/about-marsh/transparency-and-disclosure.html	In the February 2021 Board Meeting of Marsh, the Board approved and adopted the Manual on Corporate Governance and the Board Charter.
3. Board Charter is publicly available and posted on the company's website.	Compliant		In the February 2021 Board Meeting of Marsh, the Board approved and adopted the Manual on Corporate Governance and the Board Charter.

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>Source Document/s:</p> <ul style="list-style-type: none"> (1) Manual on Corporate Governance (2) Terms of Reference- Risk Management, Audit, Compliance, Corporate Governance Committee (3) Terms of Reference- Nomination and Remuneration Committee. <p>Link: https://www.marsh.com/ph/about/about-marsh/transparency-and-disclosure.html</p>	<p>The Company has Committees in place already. The Board has adopted and approved the following: Nomination, Remuneration, Audit, Risk, Compliance and Corporate Governance Committees.</p>
<p>Recommendation 3.2</p>			
<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>Source Document/s:</p> <ul style="list-style-type: none"> (1) Manual on Corporate Governance (2) Terms of Reference- Risk Management, Audit, Compliance, Corporate Governance Committee (3) Global MMC Audit Committee Charter 	<p>We have an audit committee at the board level. The audit committee is composed of 3 directors, 2 of whom are independent directors.</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>Source Document/s:</p> <ul style="list-style-type: none"> (1) Manual on Corporate Governance (2) Terms of Reference- Risk Management, Audit, Compliance, Corporate Governance Committee (3) Global MMC Audit Committee Charter <p>Link: https://www.marsh.com/ph/about/about-marsh/transparency-and-disclosure.html</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>Source Document/s:</p> <ul style="list-style-type: none"> (1) Manual on Corporate Governance (2) Terms of Reference- Risk Management, Audit, Compliance, Corporate Governance Committee <p>Link: https://www.marsh.com/ph/about/about-marsh/transparency-and-disclosure.html</p>	<p>The independent directors comprising the audit committee are seasoned directors with relevant training and experience. The other member is a current CEO of another company and has the relevant background, training and experience.</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>Source document/s:</p> <ul style="list-style-type: none"> (1) Manual of Corporate Governance (2) Board Charter (3) Terms of Reference- Risk Management, Audit, Compliance, Corporate Governance Committee <p>Link: https://www.marsh.com/ph/about/about-marsh/transparency-and-disclosure.html</p>	<p>The current Terms of Reference explicitly states that the Chairman of the Committee should not be the Chairman of the Board.</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>Source Document/s:</p> <ul style="list-style-type: none"> (1) Manual on Corporate Governance (2) Terms of Reference- Risk Management, Audit, Compliance, Corporate Governance Committee <p>Link: https://www.marsh.com/ph/about/about-marsh/transparency-and-disclosure.html</p>	<p>We have an Audit, Risk, Compliance and Corporate Governance Committee.</p>
<p>2. Corporate Governance Committee is composed of at least three members, majority of whom should be independent directors.</p>	<p>Compliant</p>	<p>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.</p>	<p>We only have two independent directors and both of them are members of the Corporate Governance Committee. The other member is a non-executive director. We are owned by a publicly listed company based in New York and we have our corporate governance function at the group level.</p>

<p>3. Chairman of the Corporate Governance Committee is an independent director.</p>	<p>Compliant</p>	<p>Source Document/s:</p> <ul style="list-style-type: none"> (1) Manual on Corporate Governance (2) Terms of Reference- Risk Management, Audit, Compliance, Corporate Governance Committee (3) 2022 General Information Sheet <p>Link: https://www.marsh.com/ph/about/about-marsh/transparency-and-disclosure.html</p>	<p>In the organizational meeting of the Board of Directors held last April 2021, the Board elected the 2 independent directors to be a part of the Committee and the Chairman is an independent director.</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>Source Document/s:</p> <ul style="list-style-type: none"> (1) Manual on Corporate Governance (2) Terms of Reference- Risk Management, Audit, Compliance, Corporate Governance Committee <p>Link: https://www.marsh.com/ph/about/about-marsh/transparency-and-disclosure.html</p>	<p>We have a Risk, Audit, Compliance, and Corporate Governance Committee.</p>

<p>2. BROC is composed of at least three members, the majority of whom should be independent directors, including the Chairman.</p>	<p>Compliant</p>	<p>Source Document/s:</p> <ul style="list-style-type: none"> (1) Manual on Corporate Governance (2) Terms of Reference- Risk Management, Audit, Compliance, Corporate Governance Committee (3) 2022 General Information Sheet <p>Link: https://www.marsh.com/ph/about/about-marsh/transparency-and-disclosure.html</p>	<p>In the organizational meeting of the Board of Directors held last April 2021, the Board elected the 2 independent directors to be a part of the Committee. Also, the chairman is an independent director.</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>Source Document/s:</p> <ul style="list-style-type: none"> (1) Manual on Corporate Governance (2) Terms of Reference- Risk, Audit, Compliance, Corporate Governance Committee (3) 2022 General Information Sheet <p>Link: https://www.marsh.com/ph/about/about-marsh/transparency-and-disclosure.html</p>	<p>In the organizational meeting of the Board of Directors held this April 2021, the Board elected the 2 independent directors to be part of the Committee. Also, the chairman is an independent director and not the chairman of the Board and any other Committee.</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>Source Document/s:</p> <ul style="list-style-type: none"> (1) Manual on Corporate Governance (2) Terms of Reference- Risk, Audit, Compliance, Corporate Governance Committee (3) 2022 General Information Sheet (4) Minutes of the Organizational Meeting last April 2021 <p>Link: https://www.marsh.com/ph/about/about-marsh/transparency-and-disclosure.html</p>	<p>In the organizational meeting of the Board of Directors held this April 2021, the Board elected the 2 independent directors to be a part of the Committee. Both of them have been directors in other companies and have knowledge and relevant experience on risk management.</p>
Recommendation 3.5			
<p>1. 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>We comply with US accounting principles and we follow this through the requirements of the Bureau internal revenue (BIR). The 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.</p>
<p>2. RPT Committee is composed of at least three non-executive directors, two of whom should be independent, including the Chairman.</p>	<p>Compliant*</p>		<p>We comply with US accounting principles and we follow this through the requirements of the BIR. The Board has overall responsibility in ensuring that there is a group-wide policy and system governing RPTs and other unusual or infrequently occurring transactions.</p>
Recommendation 3.6			
<p>1. All established committees have a Committee Charter stating in plain terms their respective purposes, memberships, structures, operations, reporting process, resources and other relevant information.</p>	<p>Compliant</p>	<p>Source Document/s:</p> <ul style="list-style-type: none"> (1) Manual on Corporate Governance (2) Terms of Reference- Risk Management, Audit, 	<p>In the regular meeting of the Board last February 2021, the Board approved and adopted the terms of reference of the various committees.</p>

2. Committee Charters provide standards for evaluating the performance of the Committees.	Compliant	<p>Compliance, Corporate Governance Committee (3) Terms of Reference- Nomination and Remuneration Committee (4) 2022 General Information Sheet</p> <p>Link: https://www.marsh.com/ph/about/about-marsh/transparency-and-disclosure.html</p>	In the regular meeting of the Board last February 2021, the Board approved and adopted the terms of reference of the various committees.
3. Committee Charters were fully disclosed on the company's website.	Compliant	<p>Provide link to company's website where the Committee Charters are disclosed.</p> <p>Link: https://www.marsh.com/ph/about/about-marsh/transparency-and-disclosure.html</p>	<p>In the regular meeting of the Board last February 2021, the Board approved and adopted the terms of reference of the various committees and are disclosed on the company's website.</p> <p>Source Document/s:</p> <ul style="list-style-type: none"> (1) Manual on Corporate Governance (2) Terms of Reference- Risk, Audit, Compliance, Corporate Governance Committee (3) Terms of Reference- Nomination and Remuneration Committee
<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.</p>			
<p>Recommendation 4.1</p>			
1. The Directors attend and actively participate in all meetings of the Board, Committees and shareholders in person or through tele-/videoconferencing conducted in accordance with the rules and regulations of the Commission.	Compliant	<p>Source Document/s:</p> <p>Company By-laws</p> <p>Link: https://www.marsh.com/ph/about/about-marsh/transparency-and-disclosure.html</p>	The board has 4 quarterly meetings and also holds special board meetings during the year with each meeting properly documented.

<p>2. The directors review meeting materials for all Board and Committee meetings.</p>	<p>Compliant</p>	<p>Source Document/s:</p> <ul style="list-style-type: none"> (1) Notices sent prior the meeting (2) Manual on Corporate Governance (3) Board Charter <p>Link: https://www.marsh.com/ph/about/about-marsh/transparency-and-disclosure.html</p>	
<p>3. The directors ask the necessary questions or seek clarifications and explanations during the Board and Committee meetings.</p>	<p>Compliant</p>	<p>Source Document/s:</p> <ul style="list-style-type: none"> (1) Notices of the Board Meetings (2) Manual of Corporate Governance (3) Board Charter <p>Link: https://www.marsh.com/ph/about/about-marsh/transparency-and-disclosure.html</p>	
<p>Recommendation 4.2</p>			
<p>1. Non-executive directors concurrently serve in a maximum of five publicly-listed companies to ensure that they have sufficient time to fully prepare for minutes, challenge Management's proposals/views, and oversee the long-term strategy of the company.</p>	<p>Compliant</p>	<p>Source Document/s:</p> <ul style="list-style-type: none"> (1) The Greater Good (Code of Conduct) (2) Conflict of Interest Policy <p>Link: https://www.marsh.com/ph/about/about-marsh/transparency-and-disclosure.html</p>	<p>We do not have a non-executive director who serves as such in more than 5 publicly listed companies.</p> <p>As to policy, we have a policy requiring disclosure of directorship positions and a conflict of interest policy.</p>
<p>Recommendation 4.3</p>			

1. The directors notify the company's board before accepting a directorship in another company.	Compliant	<p>Source Document/s:</p> <p>(1) The Greater Good (Code of Conduct) (2) Conflict of Interest Policy</p> <p>Link: https://www.marsh.com/ph/about/about-marsh/transparency-and-disclosure.html</p>	As to policy, we have a policy requiring disclosure of directorship positions and a conflict of interest policy.
---	-----------	---	--

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>Source document/s</p> <p>General Information Sheet</p> <p>Link: https://www.marsh.com/ph/about/about-marsh/transparency-and-disclosure.html</p>	
--	-----------	--	--

Recommendation 5.2

1. The independent directors possess all the qualifications and none of the disqualifications to hold the positions.	Compliant	<p>Source document/s</p> <p>(1) Board Charter (2) Manual of Corporate Governance</p> <p>Link: https://www.marsh.com/ph/about/about-marsh/transparency-and-disclosure.html</p>	
--	-----------	--	--

Recommendation 5.3

1. The independent directors serve for a cumulative term of nine years.	Compliant		Based on IC Circular Letter No. 2020-71, Recommendation 5.3, “the Board’s independent directors should serve for a maximum cumulative term of nine years.” The reckoning of the cumulative nine-year term is from 02 January 2015 for Insurance Companies and from 21 September 2016 for Pre-need Companies. Applying the reckoning point of 02 January 2015, Marsh is compliant under this item.
2. The company bars an independent director from serving in such capacity after the term limit of nine years.	Compliant		Recommendation 5.3, “the Board’s independent directors should serve for a maximum cumulative term of nine years.” The reckoning of the cumulative nine-year term is from 02 January 2015 for Insurance Companies and from 21 September 2016 for Pre-need Companies. Applying the reckoning point of 02 January 2015, Marsh is compliant under this item.
3. In the instance that the company retains an independent director in the same capacity after nine years, the board provides meritorious justification and seeks shareholders’ approval during the annual shareholders’ meeting.	Compliant		Recommendation 5.3, “the Board’s independent directors should serve for a maximum cumulative term of nine years.” The reckoning of the cumulative nine-year term is from 02 January 2015 for Insurance Companies and from 21 September 2016 for Pre-need Companies. Applying the reckoning point of 02 January 2015, Marsh is compliant under this item.

Recommendation 5.4

1. The positions of Chairman of the Board and Chief Executive Officer are held by separate individuals.	Compliant	<p>Source document/s:</p> <p>2022 General Information Sheet</p> <p>Link: https://www.marsh.com/ph/about/about-marsh/transparency-and-disclosure.html</p>	For 2020, Chairman of the Board was Alan Cheah while the CEO was Ramon Zandueta. For 2022, the Chairman of the Board was Ramon Zandueta while the CEO was Paulino Garcia III. For 2023, the Chairman of the Board is Godelieve van Dooren while the CEO is Paulino Garcia III.
2. The Chairman of the Board and Chief Executive Officer have clearly defined responsibilities.	Compliant	<p>Source document/s:</p> <p>(1) Amended by-laws (2) Manual of Corporate Governance (3) Board Charter</p> <p>Link: https://www.marsh.com/ph/about/about-marsh/transparency-and-disclosure.html</p>	The Chairman of the Board works closely with the CEO. However, the responsibilities are clearly delineated. For 2021, the Board approved and adopted the Board Charter and Manual on Corporate Governance which further clarifies and elaborates the relationship between the two.
Recommendation 5.5			
1. If the Chairman of the Board is not an independent director, the board designates a lead director among the independent directors.	Non-Compliant*	<p>Source document/s:</p> <p>2022 General Information Sheet</p> <p>Link: https://www.marsh.com/ph/about/about-marsh/transparency-and-disclosure.html</p>	We have two independent directors who actively participate in the meetings and even heads the Board committees. The positions of Chairman and CEO are held by two different persons.
Recommendation 5.6			
1. Directors with material interest in a transaction affecting the corporation abstain from taking part in the deliberations on the transaction.	Compliant	<p>Source document/s:</p> <p>(1) The Greater Good (Code of Conduct) (2) Conflict of Interest Policy</p> <p>Link: https://www.marsh.com/ph/about/about-marsh/transparency-and-disclosure.html</p>	This is part of our Conflict of Interest Policy document
Recommendation 5.7			

1. The non-executive directors (NEDs) have separate periodic meetings with the external auditor and heads of the internal audit, compliance and risk functions, without any executive present.	Compliant	Link: https://www.marsh.com/ph/about/about-marsh/transparency-and-disclosure.html	Meetings with the external auditor are chaired by the lead independent director.
2. The meetings are chaired by the lead independent director.	Compliant		Meetings with the auditor are chaired by the lead independent director.
Principle 6: The best measure of the Board's effectiveness is through an assessment process. The Board should regularly carry out evaluations to appraise its performance as a body, and assess whether it possesses the right mix of backgrounds and competencies.			
Recommendation 6.1			
1. Board conducts an annual self-assessment of its performance as a whole.	Compliant	Source Document: Terms of Reference of the Board Committees	For executive directors, this is embedded in the usual standard internal performance management process of Marsh.
2. The performance of the Chairman is assessed annually by the Board.	Compliant	Link: https://www.marsh.com/ph/about/about-marsh/transparency-and-disclosure.html	For executive directors, this is embedded in the usual standard internal performance management process of Marsh.
3. The performance of the individual member of the Board is assessed annually by the Board.	Compliant		For executive directors, this is embedded in the usual standard internal performance management process of Marsh.
4. The performance of each committee is assessed annually by the Board.	Compliant		Each Committee has its own Terms of Reference which provides for assessment of its performance. The Board Committees had conducted self-assessment albeit using qualitative and unstructured method of self-assessment.

5. Every three years, the assessments are supported by an external facilitator.	Non-compliant		The Board shall consider appointing an external facilitator within the three year period.
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	<p>Source Document:</p> <p>Terms of Reference of the Board Committees</p> <p>Link: https://www.marsh.com/ph/about/about-marsh/transparency-and-disclosure.html</p>	For executive directors, this is embedded in the usual standard internal performance management process of Marsh.
2. The system allows for a feedback mechanism from the shareholders.	Compliant	<p>Link: https://www.marsh.com/ph/about/about-marsh/transparency-and-disclosure.html</p>	As a publicly listed company at the group level, we have feedback mechanism in place for shareholders.
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	<p>Source document/s:</p> <p>The Greater Good (Code of Conduct)</p> <p>Link: https://www.marsh.com/ph/about/about-marsh/transparency-and-disclosure.html</p>	
2. The Code is properly disseminated to the Board, senior management and employees.	Compliant	<p>Source document/s:</p> <p>The Greater Good (Code of Conduct)</p> <p>Link: https://www.marsh.com/ph/about/about-marsh/transparency-and-disclosure.html</p>	There is an annual training on the Code of Business Conduct for all Marsh employees and also, there is a new joiner's training which includes Code of Conduct in the training.

3. The Code is disclosed and made available to the public through the company website.	Compliant	<p>Source document/s:</p> <p>The Greater Good which is our Code of Conduct/ Code of Ethics</p> <p>Link:</p> <p>https://www.marsh.com/ph/about/about-marsh/transparency-and-disclosure.html</p>	
Recommendation 7.2			
1. Board ensures the proper and efficient implementation and monitoring of compliance with the Code of Business Conduct and Ethics.	Compliant	<p>Link:</p> <p>The Greater Good which is our Code of Conduct/ Code of Ethics</p> <p>https://www.marsh.com/ph/about/about-marsh/transparency-and-disclosure.html</p>	<p>This is part of the Contractual arrangements we have with our colleagues where they are required to follow the code of conduct.</p> <p>All colleagues are likewise required to comply.</p>
2. Board ensures the proper and efficient implementation and monitoring of compliance with company internal policies.	Compliant	<p>Link:</p> <p>https://www.marsh.com/ph/about/about-marsh/transparency-and-disclosure.html</p>	<p>This is part of the Contractual arrangements we have with our colleagues where they are required to follow the code of conduct.</p> <p>All colleagues are likewise required to comply.</p>
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	Link: The Greater Good (Code of Conduct) https://www.marsh.com/ph/about/about-marsh/transparency-and-disclosure.html	
Recommendation 8.2			
1. Company has a policy requiring all directors to disclose/report to the company any dealings in the company's shares within three business days.	Compliant	Link: The Greater Good (Code of Conduct)	Marsh Philippines is not a publicly listed corporation in the Philippines.
2. Company has a policy requiring all officers to disclose/report to the company any dealings in the company's shares within three business days.	Compliant	https://www.marsh.com/ph/about/about-marsh/transparency-and-disclosure.html	Marsh Philippines is not a publicly listed corporation in the Philippines.
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	Source document/s Conflict of Interest Policy Link: https://www.marsh.com/ph/about/about-marsh/transparency-and-disclosure.html	
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	Source document/s (1) Conflict of Interest Policy (2) The Greater Good / Code of Ethics Link: https://www.marsh.com/ph/about/about-marsh/transparency-and-disclosure.html	
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 ASEAN Corporate Governance Scorecard (ACGS) and the Revised Corporation Code.</p>	<p>Compliant</p>	<p>Source Document/s:</p> <p>Terms of Reference of Nomination and Remuneration Committee</p> <p>Link: https://www.marsh.com/ph/about/about-marsh/transparency-and-disclosure.html</p>	<p>We have a Terms of Reference of the Nomination and Remuneration Committee.</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 ASEAN Corporate Governance Scorecard (ACGS) and the Revised Corporation Code.</p>	<p>Compliant</p>	<p>Source Document/s:</p> <p>Terms of Reference of Nomination and Remuneration Committee</p> <p>Link: https://www.marsh.com/ph/about/about-marsh/transparency-and-disclosure.html</p>	<p>We have a Terms of Reference of the Nomination and Remuneration Committee.</p>
<p>3. Company discloses the remuneration on an individual basis, including termination and retirement provisions.</p>	<p>Compliant</p>	<p>Source Document/s:</p> <p>Terms of Reference of Nomination and Remuneration Committee</p> <p>Link: https://www.marsh.com/ph/about/about-marsh/transparency-and-disclosure.html</p>	<p>We have a Terms of Reference of the Nomination and Remuneration Committee.</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>We comply with US accounting principles and we follow this through the requirements of the BIR.</p>

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		We comply with US accounting principles and we follow this through the requirements of the BIR.
Recommendation 8.6			
1. Company makes a full, fair, accurate and timely disclosure to the public of every material fact or event that occur, particularly on the acquisition or disposal of significant assets, which could adversely affect the viability or the interest of its shareholders and other stakeholders.	Compliant		Appropriate disclosures were made to the Insurance Commission and other regulatory bodies and to the public on this. Please note, however, that we are not a publicly listed company.
2. Board appoints an independent party to evaluate the fairness of the transaction price on the acquisition or disposal of assets.	Compliant		Appropriate disclosures were made to the Insurance Commission and other regulatory bodies and to the public on this. Please note, however, that we are not a publicly listed company.
Recommendation 8.7			
1. Company's corporate governance policies, programs and procedures are contained in its Manual on Corporate Governance (MCG).	Compliant	Source document/s Manual on Corporate Governance	We have a Manual on Corporate Governance and is uploaded to our website for easy access of all.
2. Company's MCG is submitted to the SEC and PSE.	Compliant	Link: https://www.marsh.com/ph/about/about-marsh/transparency-and-disclosure.html	We are not regulated by PSE so no need to submit to them. We are not required to submit the same to SEC.
3. Company's MCG is posted on its company website.	Compliant		We have a Manual on Corporate Governance and is uploaded to our website for easy access of all.
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>Source Document/s:</p> <ul style="list-style-type: none"> (1) Manual on Corporate Governance (2) Terms of Reference- Risk Management, Audit, Compliance, Corporate Governance Committee (3) Global MMC Audit Committee Charter <p>Link: https://www.marsh.com/ph/about/about-marsh/transparency-and-disclosure.html</p>	<p>Each Board Committee has a set Terms of Reference of its own.</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>Source Document/s:</p> <ul style="list-style-type: none"> (1) Manual on Corporate Governance (2) Terms of Reference- Risk Management, Audit, Compliance, Corporate Governance Committee <p>Link: https://www.marsh.com/ph/about/about-marsh/transparency-and-disclosure.html</p>	<p>The Board approved and adopted the terms of reference of the various committees.</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>Marsh did not remove its external auditor for the year 2022.</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 relevant Philippine professional and regulatory requirements. 	Compliant	<p>Source Document/s:</p> <ul style="list-style-type: none"> (1) Manual on Corporate Governance (2) Terms of Reference- Risk Management, Audit, Compliance, Corporate Governance Committee (3) Global MMC Audit Committee Charter <p>Link: https://www.marsh.com/ph/about/about-marsh/transparency-and-disclosure.html</p>	<p>The Board approved and adopted the terms of reference of the various committees</p> <p>We also adhere to the Global Audit Committee Charter.</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>	Compliant	<p>Source Document/s:</p> <ul style="list-style-type: none"> (1) Manual on Corporate Governance (2) Terms of Reference- Risk Management, Audit, Compliance, Corporate Governance Committee (3) Global MMC Audit Committee Charter <p>Link: https://www.marsh.com/ph/about/about-marsh/transparency-and-disclosure.html</p>	<p>The Board approved and adopted the terms of reference of the various committees.</p> <p>We also adhere to the Global Audit Committee Charter.</p>

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	Source Document Global MMC Audit Committee Charter Link: https://www.marsh.com/ph/about/about-marsh/transparency-and-disclosure.html	We are not required to come up with an annual report. We are guided by our parent company (MMC) in terms of appointment of the external auditor.
2. Audit Committee stays alert for any potential conflict of interest situations, given the guidelines or policies on non-audit services, which could be viewed as impairing the external auditor's objectivity.	Compliant	Source Document Global MMC Audit Committee Charter Link: https://www.marsh.com/ph/about/about-marsh/transparency-and-disclosure.html	We are guided by our parent company (MMC) in terms of appointment of the external auditor.

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

Recommendation 10.1

1. Board has a clear and focused policy on the disclosure of non-financial information, with emphasis on the management of economic, environmental, social and governance (EESG) issues of its business, which underpin sustainability.	Compliant	Links: https://www.marsh.com/ph/about/about-marsh/social-responsibility.html https://www.marsh.com/ph/about/about-marsh/transparency-and-disclosure.html	This is a global Marsh initiative to which all operating entities adhere to.
2. Company adopts a globally recognized standard/framework in reporting sustainability and non-financial issues.	Compliant	Links: https://www.marsh.com/ph/about/about-marsh/social-responsibility.html https://www.marsh.com/ph/about/about-marsh/transparency-and-disclosure.html	This is a global Marsh initiative to which all operating entities adhere to.

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

<p>1. Company has media and analysts' briefings as channels of communication to ensure the timely and accurate dissemination of public, material and relevant information to its shareholders and other investors.</p>	<p>Compliant</p>	<p>Link: https://www.marsh.com/ph/about/about-marsh/transparency-and-disclosure.html</p>	<p>As we are owned by a publicly listed company based in New York, MMC has media and analysts' briefings. Locally, our disclosures in the website are sufficient to inform stakeholders of relevant and material information about the company. Please note that Marsh Philippines, Inc. is not a publicly listed company.</p>
--	------------------	---	--

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

<p>1. Company has an adequate and effective internal control system in the conduct of its business.</p>	<p>Compliant</p>	<p>Link: https://www.marsh.com/ph/about/about-marsh/transparency-and-disclosure.html</p>	<p>We have a regional/global internal audit that have audit calendars. We also have Client First Principles Audit.</p>
<p>2. Company has an adequate and effective enterprise risk management framework in the conduct of its business.</p>	<p>Compliant</p>	<p>Link: https://www.marsh.com/ph/about/about-marsh/transparency-and-disclosure.html</p>	<p>Risk is handled by the Legal, Compliance and Public Affairs Team. There are risk assessments, and reporting made on a regular basis.</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.</p>	<p>Compliant</p>	<p>Source Document: Global MMC Audit Committee Charter Link: https://www.marsh.com/ph/about/about-marsh/transparency-and-disclosure.html</p>	<p>We are owned by a publicly listed company based in New York and we have our internal audit function at the group level.</p>
---	------------------	--	--

Recommendation 12.3

1. Company has a qualified Chief Audit Executive (CAE) appointed by the Board.	Non-compliant*	Source Document: Global MMC Audit Committee Charter Link: https://www.marsh.com/ph/about/about-marsh/transparency-and-disclosure.html	We are owned by a publicly listed company based in New York and we have our internal audit function at the group level.
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*	Source Document: Global MMC Audit Committee Charter Link: https://www.marsh.com/ph/about/about-marsh/transparency-and-disclosure.html	We are owned by a publicly listed company based in New York and we have our internal audit function at the group level. We also likewise supplemented this with a local audit committee of 3 directors, 2 of whom are independent directors.
3. In case of a fully outsourced internal audit activity, a qualified independent executive or senior management personnel is assigned the responsibility for managing the fully outsourced internal audit activity.	Compliant	Source Document: Global MMC Audit Committee Charter	Chief Finance Officer (CFO)
Recommendation 12.4			
1. Company has a separate risk management function to identify, assess and monitor key risk exposures.	Compliant	Link: https://www.marsh.com/ph/about/about-marsh/transparency-and-disclosure.html	The Corporation has a risk management function that is being handled by the Compliance Officer. These two functions are handled concurrently and monitored by the Compliance Officer. Compliance is a separate department which is independent from the business.
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).	Compliant	Link: https://www.marsh.com/ph/about/about-marsh/transparency-and-disclosure.html	The Compliance Officer is the Chief Risk Officer.

2. CRO has adequate authority, stature, resources and support to fulfill his/her responsibilities.	Compliant	Link: https://www.marsh.com/ph/about/about-marsh/transparency-and-disclosure.html	The Compliance Officer is the 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	Source document/s Manual on Corporate Governance Link: https://www.marsh.com/ph/about/about-marsh/transparency-and-disclosure.html	Since 2021, we have incorporated the same to the Manual on Corporate Governance and is uploaded to our website for easy access of all.
2. Board ensures that basic shareholder rights are disclosed on the company's website.	Compliant	Source document/s Manual on Corporate Governance Link: https://www.marsh.com/ph/about/about-marsh/transparency-and-disclosure.html	Since 2021, we have incorporated the same to the Manual on Corporate Governance and is uploaded to our website for easy access of all.
Recommendation 13.2			
1. Board encourages active shareholder participation by sending the Notice of Annual and Special Shareholders' Meeting with sufficient and relevant information at least 28 days before the meeting.	Compliant	Source document/s Company by-laws Link: https://www.marsh.com/ph/about/about-marsh/transparency-and-disclosure.html	The by-laws of the company provide for a notice period that is not 28 days before the meeting and this notice period has always been complied with. All meetings were attended by 100% of the stockholders in person and/or by proxy.
Recommendation 13.3			

1. Board encourages active shareholder participation by making the result of the votes taken during the most recent Annual or Special Shareholders' Meeting publicly available the next working day.	Compliant		There is no requirement or company policy that requires this. We are not a Publicly Listed Company ("PLC") in the Philippines. However, the objective set under this was met. The votes are immediately made known to all its stockholders.
2. Minutes of the Annual and Special Shareholders' Meetings were available on the company website within five business days from the end of the meeting.	Compliant		There is no requirement or company policy that requires this. We are not a Publicly Listed Company ("PLC") in the Philippines. However, the objective set under this was met. The minutes of the most recent annual and special meeting of the stockholders are provided to each stockholder by email.
Recommendation 13.4			
1. Board makes available, at the option of a shareholder, an alternative dispute mechanism to resolve intra-corporate disputes in an amicable and effective manner.	Compliant	Link: https://www.marsh.com/ph/about/about-marsh/transparency-and-disclosure.html	At the group level, MMC as a publicly listed company in New York complied with the requirement on alternative dispute mechanism.
2. The alternative dispute mechanism is included in the company's Manual on Corporate Governance.	Compliant	Link: https://www.marsh.com/ph/about/about-marsh/transparency-and-disclosure.html	At the group level, MMC as a publicly listed company in New York complied with the requirement on alternative dispute mechanism.
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			

<p>1. Board identifies the company's various stakeholders and promotes cooperation between them and the company in creating wealth, growth and sustainability.</p>	<p>Compliant</p>	<p>Source document/s</p> <p>(1) General Information Sheet (2) The Greater Good / Code of Ethics</p> <p>Link: https://www.marsh.com/ph/about/about-marsh/transparency-and-disclosure.html</p>	
<p>Recommendation 14.2</p>			
<p>1. Board establishes clear policies and programs to provide a mechanism on the fair treatment and protection of stakeholders.</p>	<p>Compliant</p>	<p>Source document/s</p> <p>The Greater Good / Code of Ethics</p> <p>Link: https://www.marsh.com/ph/about/about-marsh/transparency-and-disclosure.html</p>	
<p>Recommendation 14.3</p>			
<p>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.</p>	<p>Compliant</p>	<p>Source document/s</p> <p>FAQ of Ethics and Compliance Line.</p>	<p>There is a transparency framework within the organization and the stakeholders of the Corporation can freely communicate their concerns to the Company through various channels like customer service hotlines/emails, via the person assigned for investor relations, suggestion boxes, town hall meetings, etc.</p> <p>In all operating companies of Marsh, we have an established whistleblowing mechanism, the Ethics and Compliance Line where you can raise ethical and compliance concerns without fear of retaliation. You can call or send an email, named or anonymously.</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

<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>Source document/s</p> <p>(1) Manual on Corporate Governance (2) Board Charter</p> <p>Link: https://www.marsh.com/ph/about/about-marsh/transparency-and-disclosure.html</p>	
---	------------------	--	--

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>Source document/s</p> <p>(1) FAQ of Ethics and Compliance Line. (2) The Greater Good/ Code of Ethics (3) Anti-Bribery and Corruption Policy</p> <p>Link: https://www.marsh.com/ph/about/about-marsh/transparency-and-disclosure.html</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>Link: https://www.marsh.com/ph/about/about-marsh/transparency-and-disclosure.html</p>	<p>Compliance holds a quarterly training on all employees on various policies of the company.</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>Source document/s</p> <p>FAQ of Ethics and Compliance Line. Link: https://www.marsh.com/ph/about/about-marsh/transparency-and-disclosure.html</p>	<p>In all operating companies of Marsh, we have an established whistleblowing mechanism, the Ethics and Compliance Line where you can raise ethical and compliance concerns without fear of retaliation. You can call or send an email, named or anonymously.</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>Source document/s</p> <p>FAQ of Ethics and Compliance Line. Link: https://www.marsh.com/ph/about/about-marsh/transparency-and-disclosure.html</p>	<p>In all operating companies of Marsh, we have an established whistleblowing mechanism, the Ethics and Compliance Line where you can raise ethical and compliance concerns without fear of retaliation. You can call or send an email, named or anonymously.</p>
<p>3. Board supervises and ensures the enforcement of the whistleblowing framework.</p>	<p>Compliant</p>	<p>Link: https://www.marsh.com/ph/about/about-marsh/transparency-and-disclosure.html</p>	<p>In all operating companies of Marsh, we have an established whistleblowing mechanism, the Ethics and Compliance Line where you can raise ethical and compliance concerns without fear of retaliation. You can call or send an email, named or anonymously. This is easily accessible to all employee via intranet. Likewise, this is included as a reminder in the compliance trainings.</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>Source document/s</p> <p>ESG Charter</p> <p>Link: https://www.marsh.com/ph/about/about-marsh/social-responsibility.html</p>	<p>The Company has placed importance on the responsibility it has towards business and society by ensuring sustainability. IT has corporate social responsibility programs which adhere to the global ESG Charter. ESG stands for “Environmental, Social and Governance”</p>