



# **Aon Insurance and Reinsurance Brokers Philippines, Inc.**

2024 Annual Corporate Governance Report



## ANNUAL CORPORATE GOVERNANCE REPORT

### AON INSURANCE AND REINSURANCE BROKERS PHILIPPINES, INC.

1. For the fiscal year ended: **2023**
2. Certificate of Authority Number: **IB-15-2019-R-A**
3. Province, Country or other jurisdiction of incorporation or organization: **Makati, Metro Manila, Philippines**
4. Address of principal office: **8F, Ayala North Exchange Tower 1, 6796 Ayala Avenue cor. Salcedo St., Legaspi Village, Makati City 1229**
5. Company's telephone number: **(02) 7908-1266**
6. Company's official website: <https://www.aon.com/philippines>
7. Former name, former address and former fiscal year, if changed since last report: **N/A**

## ANNUAL CORPORATE GOVERNANCE REPORT

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	COMPLIANT/ NON- COMPLIANT	ADDITIONAL INFORMATION	EXPLANATION
<b>Principle 1:</b> 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 or expertise that is relevant to the company's industry/sector.	Compliant	Aon PH Board of Directors is composed of competent individuals with extensive insurance industry experience. The majority of the directors are Senior Management members who were nominated at the regional level. They manage the day to day requirements of the company such as deciding which banks to open accounts with, approving deals and contracts, acquiring assets as needed for the company's operations, addressing labor issues, establishing the organization in compliance with local laws, and making other management decisions. They remain qualified for their positions individually and collectively.  Each director has submitted copy of their Biodata to the Insurance Commission on 25 September 2019, 02 October 2019, 30 June 2020 and 08 September 2022. It states their respective academic credentials and professional experiences.  When identifying nominees for director positions, Aon considers a variety of factors and criteria, including professional background, expertise, a reputation for integrity, business, financial, and management experience, leadership capabilities, and diversity.	
2. Board has an appropriate mix of competence and expertise.	Compliant		
3. Directors remain qualified for their positions individually and collectively to enable them to fulfill their roles and responsibilities and respond to the needs of the organization.	Compliant		
Recommendation 1.2			
1. Board is composed of a majority of non-executive directors.	Non-compliant		Aon PH's current board of directors is a good mix of executive and non-executive directors.

			<p>Currently, Aon PH has (4) executive directors and one (1) non-executive director who is also the independent director.</p> <p>Even if Aon PH's board is composed of a majority of executive directors, no director can dominate the decision-making process because the company is wholly owned.</p>
<b>Recommendation 1.3</b>			
1. Company provided in its Board Charter or Manual on Corporate Governance a policy on training of directors.	Non-compliant		Aon PH does not have a Board Charter or Manual on Corporate Governance being a wholly owned company.
2. Company provides in its Board Charter or Manual on Corporate Governance an orientation program for first time directors.	Non-compliant		The majority of the directors are key executive officers of the company, there would be no need for orientation programs to be conducted for them. As key management executives, they know the business landscape, the issues and risks specific to the company, and are attuned to its operational requirements.
3. Company has relevant annual continuing training for all directors.	Compliant	<p>All Aon employees, directors included, complete a variety of mandatory trainings annually. From self-guided Aon University courses to our Leading Aon United and advanced learning programs, the curriculum provided is aligned to the Aon United Blueprint and the four expectations of the Aon Impact Model: Create Client Value, Develop Teams, Enable Innovation, and Deliver Business Results.</p> <p>Our use of virtual learning and development programs enabled us to continue our learning efforts even though our workforce being on a hybrid setup since 2022.</p> <p>The directors are continuously informed of the developments in the business and regulatory environments by means of regular reporting and dissemination of new regulations.</p>	

		The elected Independent Director, together with one executive director have attended the corporate governance training on 7-8 November 2023. The rest of the directors will attend the said training in 2024.	
<b>Recommendation 1.4</b>			
1. Board has a policy on board diversity.	Compliant	<p>Our policy on board diversity is attached to our Code of Business Conduct.</p> <p>At Aon, we ensure diversity is visible, valued and sustained throughout the organization. We create an inclusive environment that nurtures the unique background, skills and creativity that each of our colleagues brings to Aon.</p> <p>Aon provides equal treatment and equal employment opportunity without regard to any protected status or other characteristic.</p> <p>This applies to all aspects of Aon's employment decisions, including recruitment, hiring, placement, development, promotion, training, scheduling, benefits, compensation and termination of employment.</p> <p>Aon is committed to creating a workplace environment that fosters mutual dignity, respect, and equal employment opportunity. We have formal initiatives designed to promote an inclusive workplace free of discrimination and harassment, where colleagues are treated and compensated fairly and equitably. Along with these, we encourage colleague input and action to make sure we create the diverse and inclusive workplace to which we aspire.</p> <p>Aon PH's board diversity can be seen in differences in gender, age, ethnicity, skills, competence, and knowledge.</p> <p>The Board is currently comprised of 3 Females and 2 Males.</p>	

Recommendation 1.5			
1. Board is assisted in its duties by a Corporate Secretary.	Compliant	Aon PH's Corporate Secretary is Atty. Melissa Lichaytoo.	
2. Corporate Secretary is a separate individual from the Compliance Officer.	Compliant	She is engaged in the general practice of law for the more than 30 years, specializing in corporate law – foreign investments in the Philippines, incentives registration, establishments of corporations and other corporate vehicles, joint ventures, registration of securities, corporate governance, mergers, acquisitions, proxy contests, intra corporate disputes and immigration.	
3. Corporate Secretary is not a member of the Board of Directors.	Compliant	<p>Atty. Lichaytoo is not a member of the board and separate individual from the Compliance Officer. Her duties are indicated in Aon PH By- Laws.</p> <p>Duties/functions of the Corporate Secretary:</p> <ul style="list-style-type: none"> <li>• safe keeps and preserves the integrity of the minutes of the meetings of the Board and its committees, as well as other official records of the corporation;</li> <li>• keeps abreast of relevant laws, regulations, all governance issuances, relevant industry developments and operations of the corporation, and advises the Board and the Chairman on all relevant issues as they arise;</li> <li>• works fairly and objectively with the board and management and contributes to the flow of information between the board and management, the board and its committees, and the board and its stakeholders, including shareholders;</li> <li>• informs members of the board, in accordance with the by-laws, of the agenda of their meetings at least five working days in advance, and ensures that the members have before them accurate information that will enable them to arrive at intelligent decisions on matters that require their approval;</li> <li>• attends all board meetings, except when justifiable causes, such as illness, death in the immediate family and serious accidents, prevent her from doing so;</li> </ul>	

		<ul style="list-style-type: none"> <li>• performs required administrative functions;</li> <li>• oversees the drafting of the by-laws and ensures that they conform with regulatory requirements; and</li> <li>• performs such other duties and responsibilities as may be provided by the Insurance Commission (IC).</li> </ul>	
4. Corporate Secretary attends training/s on corporate governance.	Compliant	Atty. Melissa attended the Corporate Governance Training for Corporate Secretary on 16-17 June 2022.	
<b>Recommendation 1.6</b>			
1. Board is assisted by a Compliance Officer.	Compliant	Aon PH's Compliance Officer is Rhodella Mendoza. She is currently the Head of Operations, with a rank of Vice President and has 28 years of experience with Aon PH. She is not a member of the Board of Directors. She has, among others, the following duties and responsibilities:	
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		
		<ul style="list-style-type: none"> <li>• Monitors, reviews, evaluates and ensures the compliance by the corporation, its officers and directors with the relevant laws, this Code, rules and regulations and all governance issuances of regulatory agencies;</li> <li>• Reports the matter to the Board if violations are found and recommends the imposition of appropriate disciplinary action;</li> <li>• Ensures the integrity and accuracy of all documentary submissions to regulators;</li> <li>• Appears before the IC when summoned in relation to compliance with this Code;</li> <li>• Collaborates with other departments to properly address compliance issues, which may be subject to investigation;</li> <li>• Identifies possible areas of compliance issues and works towards the resolution of the same; and</li> <li>• Performs such other duties and responsibilities as may be provided by the IC.</li> </ul>	
4. Compliance Officer attends training/s on corporate governance annually.	Compliant	Rhodella Mendoza was appointed as the company's Compliance Officer on 15 October 2020.	

		She re-attended the Corporate Governance Training on 7-8 November 2023.	
<b>Principle 2:</b> The fiduciary roles, responsibilities and accountabilities of the Board as provided under the law, the company's articles and by-law5, 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	This is already fairly observed in Aon PH because the board is majority comprised of the company's senior executive management members and, as such, can be presumed to have up-to-date information on the company and the industry. They act in the best interest of the company.	
Recommendation 2.2			
1. Board oversees the development, review and approval of the company's business objectives and strategy.	Compliant	Majority of the directors comprise the senior executive management members of the company. They receive guidance from the regional office on groupwide business strategy and objectives which they disseminate and implement at the local level.	
2. Board oversees and monitors that implementation of the company's business objectives and strategy in order to sustain the company's long-term viability and strength.	Compliant	This include but is not limited to major plans of action, risk management policies and procedures, annual budgets and business plans.  The business objectives and strategies of the company are reviewed on a monthly basis.	
Recommendation 2.3			
1. Board is headed by a competent and qualified Chairperson.	Compliant	Aon PH's current Chairman of the Board is Darren Oliver. His qualifications are indicated on the Biodata submitted to the IC on 25 September 2019.	
Recommendation 2.4			
1. Board ensures and adopts an effective succession planning program for directors, key officers and management.	Compliant	Aon PH ensures that the company leadership is transferred to highly competent and qualified persons.	



2. Board adopts a policy on the retirement for directors and key officers.	Compliant	<p>Board appointments are determined by the regional/global office.</p> <p>When a vacancy on the Board occurs as a result of the resignation or retirement of an existing director, the Regional Office has the authority to identify and approve the appointment of the succeeding director, who must come from Senior Management or within the Aon Group.</p> <p>Aon has a talent review process in place to help secure the leadership pipeline and future leaders while also providing an opportunity to evaluate the diversity of the talent pipeline.</p>	
Recommendation 2.5			
1. Board formulates and adopts a policy specifying the relationship between remuneration and performance of key officers and board members.	Compliant	<p>Aon PH is a privately held company and is not required to disclose its remuneration policy to the public.</p> <p>Aon PH's executive and non-executive directors are compensated for their management roles rather than their roles as directors.</p>	
2. Board aligns the remuneration of key officers and board members with long-term interests of the company.	Compliant		
3. Directors do not participate in discussions or deliberations involving his/her own remuneration.	Compliant	<p>Aon adopts the Annual Incentive Program. It is an annual global initiative that is carried out consistently across the globe. Annual Incentives are reviewed and approved by local, regional senior management and global leadership.</p>	
Recommendation 2.6			
1. Board has a formal and transparent board nomination and election policy.	Non-compliant		Nomination and election policy are not applicable to Aon PH being a wholly owned company. It has no minority shareholders to be represented at the board level. Any director is nominated at the regional level.
2. Board nomination and election policy is disclosed in the company's Manual on Corporate Governance.	Non-compliant		
3. Board nomination and election policy includes how the company accepts nomination from minority shareholders.	Non-compliant		

4. Board nomination and election policy includes how the board reviews nominated candidates.	Non-compliant		When identifying nominees for director positions, Aon considers a variety of factors and criteria, including professional background, expertise, a reputation for integrity, business, financial, and management experience, leadership capabilities, and diversity.
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.	Non-compliant		
6. Board has a process for identifying the quality of directors that is aligned with the strategic direction of the company.	Compliant	The elected Independent Director meets the requirements of the Revised Insurance Code for ICREs and the Revised Corporation Code, to which the company adheres.	
<b>Recommendation 2.7</b>			
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	We have existing RPT Policy at the global level which provides guidelines for the disclosure, review, ratification and approval of related party transactions.	
2. RPT policy includes appropriate review and approval of material RPTs, which guarantee fairness and transparency of the transactions.	Compliant	In addition, details of our related party transactions are enumerated in our Audited Financial Statement which we submit to the IC annually.	
3. RPT policy encompasses all entities within the group, taking into account their size, structure, risk profile and complexity of operations.	Compliant	<p>We at Aon deliver distinctive client value by identifying and managing conflicts of interest and avoiding them as much as possible.</p> <p>It was mentioned in our Code of Business Conduct that all employees, including directors and executives must not allow competing personal, financial or commercial interests to compromise or appear to compromise their duty to act in a client's or business partner's best interest or to cause a conflict of interests among our clients or between the colleague and Aon.</p> <p>To support this, we have Business and Personal Conflicts of Interest policies. Any potential conflicts must be disclosed to Compliance via a platform for review and approval.</p>	

		Furthermore, we have a Global Third Party Risk Management Policy that governs how we deal with third parties who help Aon obtain/retain business.	
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).	Non-compliant		Given the current set-up of Aon PH as a wholly owned company, this is not applicable because the overall Chief Audit Executive, Chief Risk Officer and Chief Compliance Officer are already selected and evaluated at the regional/global office level.
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).	Non-compliant		Aon PH seeks guidance from its regional office when appointing local heads of control functions, when necessary. Fit and proper standards are applied to key personnel with due consideration given to integrity, technical expertise and business experience.
Recommendation 2.9			
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.	Compliant	Aon adopts the Annual Incentive Program. It is an annual global initiative that is carried out consistently across the globe. Annual Incentives are reviewed and approved by local, regional senior management and global leadership.	
2. Board establishes an effective performance management framework that ensures that personnel's performance is at par with the standards set by the Board and Senior Management.	Compliant	Performance ratings at Aon are not only based on KPI achievement but are also linked to Aon's values via the Aon Impact Model (AIM). This examines whether individuals demonstrate integrity by establishing and maintaining fair, ethical, and mutually beneficial relationships with clients, colleagues, and communities.	
Recommendation 2.10			
1. Board oversees that an appropriate internal control system is in place.	Compliant	Management is responsible for the day-to-day management of risks that we face, while the Board, as a whole has responsibility for the oversight of risk management. In its risk oversight role, the Board has the responsibility to ensure that the risk management processes designed and implemented by management are adequate and functioning as designed.	
2. The internal control system includes a mechanism for monitoring and managing potential conflict of interest of the Management, members and shareholders.	Compliant		

		<p>The Board believes that establishing the right “tone at the top” and full and open communication between management and the Board are essential for effective risk management and oversight. The Board composed of the senior management receives presentations on strategic and risk enterprise matters involving the company. In addition, senior management attends Board meetings and is available to address any questions or concerns raised related to risk management and any other matters.</p> <p>The Board believes that its oversight of risks, primarily through delegation of primary responsibility to committees to oversee specific risks within their areas of responsibility and expertise, and the sharing of information with the full Board, is appropriate for a company like Aon.</p> <p>In addition, any possible issues related to conflict of interest are submitted to a platform Archer for review and approval. Approvals on other matters such as business dealings with third parties are submitted to RWG platform and Regional Global Compliance for approval.</p>	
3. Board approves the Internal Audit Charter.	Compliant	As a wholly owned company, the internal audit function is managed at the global/regional level. As such, the Global Internal Audit Charter applies to us.	
<b>Recommendation 2.11</b>			
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>Controls in relation to our largest risks are in place. These controls are reviewed from time to time. Responsibility for the management and control of risks currently resides with various senior officers within the company, including the CEO, CFO, Head of HR, Local Compliance Officer. The board is apprised of risks (including new risks) affecting the business at board meetings. Aon has a global ERM framework. Enterprise Risk Assessments are conducted annually at an APAC level for our APAC operations including the Philippines.</p>	
2. The risk management framework guides the Board in identifying units/business lines and enterprise-level risk exposures, as well as the effectiveness of risk management strategies.	Compliant		

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.	Non-compliant		Aon PH does not have a Board Charter, nor does it see the need for one to prescribe the duties and functions of the Board.
2. Board Charter serves as a guide to the directors in the performance of their functions.	Non-compliant		Aon PH directors perform their duties in accordance with the law, good corporate governance principles and the by-
3. Board Charter is publicly available and posted on the company's website.	Non-compliant		laws of the company, as well as the provisions of the Revised Corporation Code.
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 r available Committee Charter.			
Recommendation 3.1			
1. Board establishes board committees that focus on specific board functions to aid in the optimal performance of its roles and responsibilities.	Compliant	The board is mostly made up of senior management.  Executive and Management Committees are established to focus on specific board functions.  In addition, functions of the recommended committees are carried out by various departments. Typically, issue/s arising are discussed and resolved at the board level and may be escalated to the regional and global offices for resolution and approval.	
Recommendation 3.2			
1. Board establishes an Audit Committee to enhance its oversight capability over the company's financial reporting, internal control system, internal and external audit processes, and compliance with applicable laws and regulations.	Non-compliant		This is not applicable to Aon PH being a wholly owned company. Aon PH follows guidance from the global office on audit activities.  Aon PH Board of Directors does need to establish an Audit Committee and approve the Audit Committee Charter.
2. Audit Committee is composed of at least three appropriately qualified non-executive directors, the majority of whom, including the Chairman is independent.	Non-compliant		The appointment of external auditors is performed at the global level. The country has no authority to negotiate,

3.	All the members of the committee have relevant background, knowledge, skills, and/or experience in the areas of accounting, auditing and finance	Non-compliant		appoint and terminate these services without the approval of the Corporate team in charge of these services.
4.	The Chairman of the Audit Committee is not the Chairman of the Board or of any other committee.	Non-compliant		Global office appoints 2 different external auditors to handle financial audit and tax. This is to ensure that Aon maintains check and balance in each country. These auditors have a separate and dedicated communication line with the global office so all findings are reported directly to them and not to the local office.
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.	Non-compliant		This is not applicable to Aon PH being a wholly owned company. On corporate governance matters, Aon PH follows global/regional office guidance. The formation of various committees is handled at the global level. Furthermore, the functions of these committees are already being carried out on a global scale.
2.	Corporate Governance Committee is composed of at least three members, majority of whom should be independent directors.	Non-compliant		Aon Ph is not required to establish its own Corporate Governance Committee.
3.	Chairman of the Corporate Governance Committee is an independent director.	Non-compliant		
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.	Non-compliant		APAC CRO and APAC Risk Office oversee ERM in APAC.
2.	BROC is composed of at least three members, the majority of whom should be independent directors, including the Chairman	Non-compliant		The controls we adopt to manage our key risks are modelled after those at the APAC level.
3.	The Chairman of the BROC is not the Chairman of the Board or of any other committee.	Non-compliant		At the country level, controls in relation to our largest risks are in place. These controls are reviewed from time to time. Responsibility for the management and control of risks currently resides with various senior officers within the company, including the CEO, CFO, Head of HR, Local Compliance Officer. The board is apprised of risks (including new risks) affecting the business at board meetings.
4.	At least one member of the BROC has relevant thorough knowledge and experience on risk and risk management.	Non-compliant		

			<p>Given that we are a wholly owned subsidiary of a multinational company, and given our size and low risk profile, setting up of a separate risk management function may not be applicable.</p> <p>In addition, the establishment of a Board Risk Oversight Committee is generally for conglomerates and companies with a high-risk profile. Aon PH as insurance and reinsurance broker is not a conglomerate and not high risk.</p> <p>The board is the first to be informed of any risk appetite levels and tolerance limits.</p> <p>The board is apprised of risks (including new risks) affecting the business at board meetings.</p>
<b>Recommendation 3.5</b>			
1. The Board establishes a Related Party Transactions (RPT) Committee, which is tasked with reviewing all material related party transactions of the company.	Compliant	We have existing RPT Policy at the global level which provides guidelines for the disclosure, review, ratification and approval of related party transactions.	
2. RPT Committee is composed of at least three non-executive directors, majority of whom should be independent, including the Chairman.	Non-compliant	<p>The details of our related party transactions are enumerated in our Audited Financial Statement which we submit to the IC annually.</p> <p>We at Aon deliver distinctive client value by identifying and managing conflicts of interest and avoiding them as much as possible.</p> <p>It was mentioned in our Code of Business Conduct that all employees, including directors and executives must not allow competing personal, financial or commercial interests to compromise or appear to compromise their duty to act in a client's or business partner's best interest or to cause a conflict of interests among our clients or between the colleague and Aon.</p>	

		<p>To support this, we have Business and Personal Conflicts of Interest policies. Any potential conflicts must be disclosed to Compliance via a platform for review and approval.</p> <p>Furthermore, we have a Global Third Party Risk Management Policy that governs how we deal with third parties who help Aon obtain/retain business.</p>	
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.	Non-compliant		This is not applicable to Aon PH being a wholly owned company. Aon PH follows guidance from the global/regional office. Set up of various committees and charters are handled at the global level.
2. Committee Charters provide standards for evaluating the performance of the Committees.	Non-compliant		
3. Committee Charters were fully disclosed on the company's website.	Non-compliant		
<p><b>Principle 4:</b> 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>			
Recommendation 4.1			
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>The Board of Directors meet on an as need basis, which is typically more than six times a year.</p> <p>There are also adequate company-wide (or group-wide) communication and reporting procedures in place.</p>	
2. The directors review meeting materials for all Board and Committee meetings	Compliant		
3. The directors ask the necessary questions or seek clarifications and explanations during the Board and Committee meetings.	Compliant	<p>We are a private company, and as such, we would disclose the information to the regulator if required but would not make it public.</p>	
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	Non-compliant		This does not apply to Aon PH, which is a wholly owned company with directors elected at the regional level.



sufficient time to fully prepare for meetings, challenge Management's proposals/views, and oversee the long-term strategy of the company.			
<b>Recommendation 4.3</b>			
1. The directors notify the company's board where he/she is an incumbent director before accepting a directorship in another company.	Compliant	<p>Aon PH's executive and non-executive directors are Senior Management members who were nominated at the regional level. They must declare if they hold a directorship position with another company.</p> <p>Any other directorships held are for Aon entities that have been nominated at the regional level.</p> <p>The elected Independent Director shall notify the Corporate Secretary before accepting a directorship in another company.</p>	
<b>Principle 5:</b> The board should endeavor to exercise an objective and independent judgment on all corporate affairs.			
<b>Recommendation 5.1</b>			
1. The Board is composed of at least twenty percent (20%) independent directors.	Compliant	Aon PH elected its independent director in August 2022.	
<b>Recommendation 5.2</b>			
1. The independent directors possess all the necessary qualifications and none of the disqualifications to hold the position.	Compliant	The qualifications specified in the Revised Insurance Code, the Corporation Code, and the company's Bylaws were considered in the election of the Independent Director. We ensure that she has all of the necessary qualifications and none of the disqualifications for the position of Independent Director.	
<p>1. The independent directors serve for a maximum cumulative term of nine years.</p> <p>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.</p>	Compliant	<p>The Independent Director was elected only in August 2022.</p> <p>The time bar provision is not applicable to us. The reckoning point for brokers to elect Independent Director was in 2018 based on IC issued Circular.</p>	

For other covered entities, all previous terms served by existing Independent Directors prior to the effectivity of this Circular shall not be included in the application of the term limit prescribed in this term.		Nevertheless, we shall follow the recommendations provided.	
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.	
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.	Compliant	Provide proof on submission of a formal written justification to the Insurance Commission and proof of shareholders' approval during the annual shareholders' meeting.	
<b>Recommendation 5.4</b>			
1. The positions of Chairman of the Board and Chief Executive Officer are held by separate individuals.	Non-compliant		<p>Currently, the Chairman of the Board and the Chief Executive Officer ("CEO") are one and the same. The former Chairman of the Board, Owen Belman, left Aon Philippines in August 2023. Upon his departure, Darren Oliver, Aon Philippines's CEO, was appointed as Chairman of the Board, to fill the gap left by Mr. Oliver's resignation, and considering that Aon Philippines needs to time find another qualified person who will take over the Chairman post.</p> <p>The Board of Directors believes that at this time, having one person assume the role of Chairman and CEO ensures efficiency in management of the Corporation. However, for compliance, the Board will consider appointing a different Chairman in the succeeding year. Aon Philippines has policies and safeguards in place to avoid conflict of interest with respect to the same person filling both roles. These policies and safeguards are consistent with the Aon group's standards that are used by the group globally.</p>
2. The Chairman of the Board and Chief Executive Officer have clearly defined responsibilities.	Compliant	The responsibilities of the Chairman of the Board and the CEO are provided in the Bylaws of Aon Philippines. The Chairman of the Board presides at the meetings of the	

		stockholders and the Board of Directors, and shall perform all such other duties as are incident to his office or are properly required of him by the Board. On the other hand, the Chief Executive Officer has general supervision of the affairs of the Corporation, signs all documents pertaining to the office of the chief executive of a corporation, and shall have such additional powers and duties as may be prescribed by the Board.	
<b>Recommendation 5.5</b>			
1. If the Chairman of the Board is not an independent director or where the roles of Chairman and CEO are being held by one person, the Board should designate a lead director among the independent directors.	Non-compliant		<p>Currently, the Chairman of the Board and the CEO are one and the same.</p> <p>However, the election of a lead independent director is not possible considering that there is only one (1) independent director.</p> <p>Furthermore, Aon Philippines has policies and safeguards in place to avoid conflict of interest with respect to the same person filling both roles. These policies and safeguards are consistent with the Aon group's standards that are used by the group globally.</p>
<b>Recommendation 5.6</b>			
1. Directors with material interest in a transaction affecting the corporation should abstain from taking part in the deliberations for the same	Compliant	<p>Executive and non-executive directors of Aon PH are part of the organization.</p> <p>Aon has a Conflicts of Interest Policy in place that requires all employees, including directors, to obtain approval from Compliance for personal interests and outside business activities (e.g., financial investments, board of director appointments) that may present a conflict by submitting a Personal Conflict of Interest Disclosure Form.</p>	
<b>Recommendation 5.7</b>			
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	Non-compliant		<p>This is not applicable to Aon PH being a wholly owned company.</p> <p>The external audit team has a direct reporting line to the headquarters and has the obligation to report any material deviation, internal control weakness they may see as a result of the engagement in each country. All financial</p>

			<p>reports are submitted separately by the country and the external auditors. This is to maintain proper check and balance within the organization. An annual report is being submitted by the auditors summarizing all findings including management response. A timeline is defined at the start of each year to ensure adherence to the global standards and deadlines.</p> <p>On the other hand, our Compliance Officer has direct reporting Regional Compliance Director and has matrix reporting to the local board. Any compliance related issues are communicated via emails and during monthly meeting. Any issue/s arising are discussed and resolved at the board level and may be escalated to the regional and global offices for resolution.</p> <p>In this regard, separate periodic meeting of our non-executive directors with the external auditor and compliance may not be necessary.</p>
2. The meetings are chaired by the lead independent director.	Non-compliant		<p>Because the company is wholly owned, meetings do not need to be presided over by an independent director.</p> <p>Majority of the directors occupy senior executive positions in the organization. Any issue/s arising are discussed and resolved at the board level, and may be escalated to the regional and global offices for resolution, if necessary.</p>
<p><b>Principle 6:</b> The best measure of the Board's effectiveness is 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.</p>			
<p><b>Recommendation 6.1</b></p>			
1. The Board conducts an annual assessment of its performance as a whole.	Non-compliant		<p>Aon PH is a wholly owned subsidiary, it doesn't have committees thus, engagement of an external facilitator is not necessary.</p> <p>The board of directors is mostly made up of senior management personnel. Aon has a talent review process in place to help secure the leadership pipeline and</p>
2. The performance of the Chairman is assessed annually by the Board.	Non-compliant		
3. The performance of the individual member of the Board is assessed annually by the Board.	Non-compliant		
4. The performance of each committee is assessed annually by the Board.	Non-compliant		

5. Every three years, the assessments are supported by an external facilitator.	Non-compliant		<p>development for future leaders, as well as to evaluate the diversity of the talent pipeline.</p> <p>Every employee, including each director, is evaluated annually through a year-end performance evaluation.</p> <p>Their performance ratings are based on more than just KPI achievement; they are also linked to Aon's values via the Aon Impact Model (AIM). This examines whether individuals demonstrate integrity by establishing and maintaining fair, ethical, and mutually beneficial relationships with clients, colleagues, and communities.</p>
<b>Recommendation 6.2</b>			
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>Aon PH is a wholly owned subsidiary, as such the shareholder is our parent company. Given that the directors are made up of senior management members, they are assessed through year end evaluation, rather than through the shareholders.</p> <p>Year-end performance evaluation is the process in which all colleagues are evaluated against two dimensions - what was achieved and how those results were attained. When reviewing what was achieved, a colleague and manager will review the business results goals identified in the goal setting process. The AIM Behaviors capture how those results were achieved and are assigned based on a colleague's career stage. The overall performance rating is derived from these two dimensions.</p> <p>AIM articulates the impact each colleague can achieve by fulfilling expectations and living Aon's values.</p> <p>To ensure proper input is provided, the year-end performance evaluation involves three main feedback channels including self-evaluation, manager evaluation and feedback from others with whom colleagues have worked with throughout the year (peers, direct reports, clients, managers). These combined channels are used by</p>
2. The system allows for a feedback mechanism from the shareholders.	Compliant		

			the manager when determining the final performance evaluation rating.
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	Aon PH, being part of the Aon Group, adheres to the Aon Code of Business Conduct which sets forth the minimum standard of conduct required of all employees, officers and directors. The Code as well as other corporate policies form the foundation of a comprehensive corporate compliance program. The Code and our policies cover many topics, including antitrust and competition law, conflicts of interest, anti-bribery, privacy, financial reporting, OFAC compliance, protection of confidential information, and compliance with all laws and regulations applicable to the conduct of our business.  To ensure the Code is effectively communicated, all employees, officers and directors are required to complete the annual certification and training and must certify that they have received, read and understood the Code.	
2. The Code is properly disseminated to the Board, senior management and employees.	Compliant		
3. The Code is disclosed and made available to the public through the company website.	Compliant		
Recommendation 7.2			
1. Board ensures the proper and efficient implementation and monitoring of compliance with the Code of Business Conduct and Ethics,	Compliant	Aon's Code, global policies and procedures, and applicable laws apply to all Aon officers, directors, and employees, (“colleagues”) throughout the world. Every colleague, regardless of position or role, is responsible for adhering to the Code, Aon’s policies and procedures, and all applicable laws.  To ensure that the Code is effectively communicated, all employees, officers, and directors must certify that they have received, read, and understand it. Furthermore, all employees and officers must complete compliance and ethics training.	
2. Board ensures the proper and efficient implementation and monitoring of compliance with company internal policies.	Compliant		
Disclosure and Transparency			
Principle 8: The company should establish corporate disclosure policies and procedures that are practical and In accordance with best practices and regulatory expectations.			

Recommendation 8.1			
1. Board establishes corporate disclosure policies and procedures to ensure a comprehensive, accurate, reliable and timely report to shareholders that gives a fair and complete picture of a company's financial condition, results and business operations.	Non-compliant		<p>This is not applicable to Aon PH being a wholly owned company and a non-publicly listed company. Aon PH reports to the regional level annually/periodically.</p> <p>Reports to shareholders such as the Annual Financial Report are disclosed at the global level.</p> <p>We comply with the requirements of the SEC and IC on the submission of company documents not limited to Financial Statements and General Information Sheet.</p>
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	<p>This is not applicable to Aon PH being a wholly owned company and a non-publicly listed company.</p> <p>Each director of Aon PH has submitted copies of their Biodata to the Insurance Commission in compliance with IC CL 35-2006 or Submission of the Minutes of the Meeting, Biographical Data of Members of the Board of Directors and List of Officers. The form includes each director's personal data, education and training, work experience and family relations.</p> <p>The share ownership of Aon PH directors in the company consist merely of qualifying shares for directorship held in trust for Aon Holdings B.V.</p> <p>Aon has Conflicts of Interest Policy where all employees are required to obtain approval from their managers and Compliance for personal interests and outside business activities (e.g., financial investments, board of director appointments) that could present a conflict by submitting a Personal Conflict of Interest Disclosure Form.</p>	
2. Board fully discloses all relevant and material information on key executives to evaluate their experience and qualifications and assess any potential conflicts of interest that might affect their judgment.	Compliant		
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	Non-compliant		This is not applicable since Aon PH's is a wholly owned subsidiary and any remuneration received by its directors is paid upon the instruction of its parent company which is

Annual Corporate Governance Report consistent with ASEAN Corporate Governance Scorecard (ACGS) and the Revised Corporation Code.			its sole investor. Executive directors are not compensated for their roles as directors. Only the ID receives remuneration as a director.  Aon PH is a private company and is not required to disclose the remuneration of its directors.
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.	Non-compliant		
3. Company discloses the remuneration on an individual basis, including termination and retirement provisions.	Non-compliant		
Recommendation 8.5			
1. Company discloses its policies governing Related Party Transactions (RPTs) and other unusual or infrequently occurring transactions.	Non-compliant		We have existing RPT Policy at the global level which provides guidelines for the disclosure, review, ratification and approval of related party transactions.  It was mentioned in our Code of Business Conduct that all employees, including directors and executives s must not allow competing personal, financial or commercial interests to compromise or appear to compromise their duty to act in a client's or business partner's best interest or to cause a conflict of interests among our clients or between the colleague and Aon.  To support this, we have Business and Personal Conflicts of Interest policies. Any potential conflicts must be disclosed to Compliance via a platform for review and approval.  Any violation of the Conflicts of Interest policy can also be reported at Aon Ethics Helpline. This is an international hotline that can be accessed by all colleagues worldwide.  Futhermore, we have a Global Third Party Risk Management Policy that governs how we deal with third parties who help Aon obtain/retain business.
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.	Non-compliant		
Recommendation 8.7			



1. Company's corporate governance policies, programs and procedures are contained in its Manual on Corporate Governance (MCG).	Non-compliant		Aon PH does not have its own Corporate Governance Manual. As a wholly owned subsidiary, it adheres to the Aon Group's corporate governance programs/policies.
2. Company's MCG is posted on its company website.	Non-compliant		Furthermore, its policies, programs, and procedures are in accordance with the provisions of the Revised Corporation Code.
<b>Principle 9:</b> The company should establish standards for the appropriate selection of an external auditor, and exercise effective oversight of the same to strengthen the external auditor's independence and enhance audit quality.			
Recommendation 9.1			
1. Audit Committee has a robust process for approving and recommending the appointment, reappointment, removal, and fees of the external auditors.	Non-compliant		This is not applicable to Aon PH being a wholly owned company.
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.	Non-compliant		The appointment of external auditors is performed at the global level which makes sure that only professional and reputable companies are engaged.
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.	Non-compliant		The country has no authority to negotiate, appoint and terminate these services without the approval of the Corporate team in charge of these services.
			Global office appoints 2 different external auditors to handle financial audit and tax. This is to ensure that Aon maintains check and balance in each country. These auditors have a separate and dedicated communication line with the global office so all findings are reported directly to them and not to the local office.
Recommendation 9.2			
1. Audit Committee includes the Audit Committee's responsibility on:  i. assessing the integrity and independence of external auditors; ii. exercising effective oversight to review and monitor the external auditor's independence and objectivity; and	Non-compliant		This recommendation is not applicable to Aon PH being a wholly owned company, and all internal audit functions are reviewed at the Aon Group's global level.
			Aon PH doesn't have an Audit Committee. As such, we do not have an Audit Committee Charter.

iii. exercising effective oversight to review and monitor the effectiveness of the audit process, taking into consideration relevant Philippine professional and regulatory requirements.			Aon only appoints the services of external auditors accredited by the IC. These auditors are periodically evaluated by the IC to ensure that they consistently adhere to the quality control standards and understand the operations and risk exposures of IC regulated entities.
2. Audit Committee Charter contains the Committee's responsibility on reviewing and monitoring the external auditor's suitability and effectiveness on an annual basis.	Non-compliant		
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.	Non-compliant		This is not applicable to Aon PH being a wholly owned company. Aon PH doesn't have Annual Report as this is being prepared at the global level.
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.	Non-compliant		<p>As for non-audit services, global office employs the services of another auditing firm on tax related transactions only such as preparation of Income Tax Return of the company and/or other tax related issues and study.</p> <p>We at Aon deliver distinctive client value by identifying and managing conflicts of interest and avoiding them as much as possible.</p> <p>It was mentioned in our Code of Business Conduct that all employees, including directors and executives s must not allow competing personal, financial or commercial interests to compromise or appear to compromise their duty to act in a client's or business partner's best interest or to cause a conflict of interests among our clients or between the colleague and Aon.</p> <p>To support this, we have Business and Personal Conflicts of Interest policies. Any potential conflicts must be disclosed to Compliance via a platform for review and approval.</p>

			Any violation of the Conflicts of Interest policy can also be reported at Aon Ethics Helpline. This is an international hotline that can be accessed by all colleagues worldwide.
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	Non-financial information disclosure, with a focus on EESG, is managed and published on a global scale.  The Aon Group's sustainability and non-financial issues can be found on our global website - <a href="#">2023 ESG Report</a> .	
2. Company adopts a globally recognized standard/framework in reporting sustainability and non-financial issues.	Compliant		
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	Aon uses its company website in disseminating relevant information to the public:  <a href="https://www.aon.com/philippines">https://www.aon.com/philippines</a>	
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 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	Aon PH has the following control systems in place. The following help sustain safe and sound operations to attain corporate goals.  - Aon policies concerning the conduct of our business and our operations.  - Code of Business Conduct. All employees are bound by a strict code of business conduct which governs the way	Controls in respect of certain key risks are set out below for reference.

		<p>Aon conducts its business. A copy is attached and can be found on our global website (Aon Code of Business Conduct). Compliance with our code of business conduct is compulsory. Non-compliance with the code of business conduct is taken seriously and can lead to termination of employment. Training in regard to various aspects of the code of business conduct is conducted annually.</p> <p>- Local compliance officer function which oversees all aspects of legal and regulatory compliance, as well as compliance with Aon policies.</p> <p>- Risks and governance oversight by APAC and Asia regional management as well as APAC Risk Office, APAC Chief Risk Officer and Asia Risk Committee.</p> <p>- Independent global internal audit function which conducts audits on Asia operations from time to time.</p>	
2. Company has an adequate and effective enterprise risk management framework in the conduct of its business.	Compliant	<p>Aon has identified 6 top ERM risks, details of these risks and primary controls are set out beneath:</p> <p>1. ACCESS CONTROL</p> <p>a. Asset management - Aon adopts a life cycle approach to assets from procurement to sunset that applies to all critical assets including hardware, software and applications.</p> <p>b. Access control process - Access to information including systems is based on “least privilege” and “need to know” principles. Access to systems, data and functionality is granted in accordance with those principles and based on job code, role, and level of authorized access. Privileges are tied to employee ID / unique identifier. All access requests, approval and other communication and actions are recorded and reviewed . For end user access to Aon business systems, a client account manager (Aon or Client</p>	

		<p>person) manages access with Global Security (GSS).</p> <p>c. Authentication -</p> <ul style="list-style-type: none"> <li>• Security Assertion Markup Language (SAML) authentication is used for Single Sign on to internal systems</li> <li>• All colleague remote access to systems is governed by two factor authentication with a non-reusable password over VPN</li> <li>• Password policy is uniformly applied through Active Directory (AD) group policy PLUS all users follow ticketing processes that follow specific chains of approval to gain access to their applications. Upon termination, their AD logins are disabled which prevents access to any internal applications.</li> </ul> <p>d. Detection controls – access review</p> <ul style="list-style-type: none"> <li>• Administrative access across regulatory systems is validated regularly as part of the Infrastructure Technical services review to validate all access and assigned access privileges are still required and appropriate</li> </ul> <p>e. Access revoke - User access is disabled on last working day through nightly action that automates removal based on HR system data. User IDs are disabled in AD authentication system. All disabled IDs are deleted in 90 days through an automated process</p> <p>f. Independent validation - The global SOX control testing and attestation programme includes testing of IT general controls including user access related controls. The control attestation is performed by an independent audit firm after testing of access management controls at enterprise level</p> <p>g. Incident management - through suite of security and event management, content filtering solutions and a Data Loss Protection (Symantec DLP) solution to monitor and prevent</p>	
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unauthorized information disclosure. Additionally access logs are analyzed for unauthorised activity and incidents reported for management

### 3. DATA SECURITY

- a. Information classification - Aon and client information are classified as Public, Internal and confidential based on the data sensitivity rated as a function of high, moderate, low to no business impact.
- b. Data loss prevention and data security in storage and transit - through:
  - Suite of content filtering solutions and a Data Loss Protection (Symantec DLP) solution to monitor (and prevent) unauthorized disclosure of information
  - All laptops are encrypted using BitLocker to protect against unauthorised disclosure
  - Data in information systems and network storage is encrypted
  - Data is transmitted / exchanged in transit over https in business systems, TLS based secure email and in secure FTP solutions, as required
- c. Data retention and disposal -
  - Data retention and archival strategy is adopted based on data classification and country records retention policy
  - Upon lapse of the contract (or as required and as agreed in contract), all client data is de-identified / returned / destroyed after business need ceases or at end of contract in accordance with agreed client terms
  - Paper based information is shredded using NAID compliant devices. Media devices are destroyed using degauss / physical destruction as specified in the NIST 800-88 standard . A certificate of destruction is obtained as required.

- d. Detection and incident management - Adverse events are reported from DLP or other means and handled in accordance with incident management processes. eDiscovery forensics are used for incident management.

### 3. DATA PRIVACY

- a. 3 Line of Defence model adopted globally and regionally. Privacy and data protection responsibilities within region require (amongst other things): (1) support from regional DPL(s) (when appointed) and Global Privacy Office (GPO); (2) ensuring privacy self-assessments and remediations are completed on time; (3) set up of privacy and data security subcommittee (PAD) within region; (4) escalating risks that cannot be mitigated locally to Regional Privacy Lead, APAC Chief Risk Officer and relevant regional or subregional risk committees; (5) appointment of data protection leads (DPLs) within APAC
- b. Privacy Impact Assessment (PIA) - PIAs are undertaken for new products and initiatives applying globally mandated PIA process
- c. Data Incident Reporting - Data incident reporting procedures are in place conformable with local law requirements within region.
- d. Data Subject Requests (DSR) - DSR processes are in place, conformable with local law and Aon global requirements.
- e. Records for Processing Activities (RPA) - documenting all processing activities.

		<p>f. Information classification - Aon and client information are classified as Public, Internal and confidential based on the data sensitivity rated as a function of high, moderate , low and no business impact.</p> <p>g. Data loss prevention and data security in storage and transit - through:</p> <ul style="list-style-type: none"> <li>• Suite of content filtering solutions and Data Loss Protection (Symantec DLP) solutions to monitor (and prevent) unauthorized disclosure of information</li> <li>• Encryption on Aon laptops using BitLocker</li> <li>• Encryption of data in information systems and network storage</li> <li>• Transport Layer Security (TLS) for emails in secure File Transfer Protocol (FTP) deployed in transmission / exchange over https in business systems</li> </ul> <p>h. Data retention and disposal –</p> <ul style="list-style-type: none"> <li>• Data retention and archival strategy adopted based on data classification (as above) and in accordance with records retention policy applying in country</li> <li>• Upon termination or expiry client contract , all client data is de-identified / returned / destroyed in accordance with contract and legal requirements.</li> <li>• Paper based information is shredded using NAID compliant devices. Media devices are destroyed using degauss / physical destruction as specified in NIST 800-88 Guidelines. A certificate of destruction is obtained, as required.</li> </ul>	
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		<p>i. Training &amp; Awareness - ongoing privacy training and awareness to ensure colleagues understand Aon's privacy policies.</p> <p>4. CONFLICT OF INTEREST (COI)</p> <p>a. Annual Code of Business Conduct training and certification</p> <p>b. Asia Compliance Anti-Corruption training covering COI for new hires and refreshers (every 18 months)</p> <p>c. Personal COI approval process including HR hire process, Internal Audit annual questionnaire for senior staff</p> <p>d. Business conflicts potential business COI escalated to Legal &amp; Compliance for review</p> <p>e. Online COI training globally with email reminders. Business and personal COI policies accessible on Aon Avenue</p> <p>f. Segregation of Duties / Organisational Structure Guidance in place between entities to manage and mitigate potential COI.</p> <p>g. Conflict of interest clause in employment contracts across all roles.</p> <p>5. ERRORS AND OMISSIONS</p> <p>a. Local E&amp;O Committee: Meeting on a monthly basis. Asia Regional Committee Meeting takes place quarter</p> <p>b. Training: Regular training conducted by Local Compliance Officers for new hires. Regional Legal conducts refresher training on a 12 to 18 - month cycle.</p> <p>c. APAC Litigation Head: Focusing on material matters / large exposures. Sharing knowledge and experiences / trends across all countries in APAC including Philippines.</p>	
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- d. Asia E&O policy and guidelines: Clear guidance available to all colleagues on Aon Avenue.

#### 6. BUSINESS CONTINUITY & DISASTER RECOVERY

The Business Technology & Resilience Team (BTR) provides continuity solutions and programs and other resources to assist the business manage BC/DR Risk in APAC region. Controls set out in summary below:

Roles and Responsibilities split between BTR and business as follows:

- BTR is the global governing body within Aon for BCP and DR Planning. BTR is responsible for providing guidance and standardized frameworks for plan development, maintenance, exercising, and for providing and maintaining a solution for centralized plan retention (namely Continuity Logic). BTR provide periodic status reports to senior management on the progression of plan development, maintenance and exercising
- All businesses within region are responsible for developing, maintaining, and exercising plans that adhere to the below policies and standards. Each business delegates its functions through: Executive Sponsor, Plan Owners, BIA Owner, BIA Coordinator with all staff being responsible for cooperating in the implementation of plans and updates to plans and adherence to the below policies.

We have global BC & DR Policies including

- Business Continuity Policy
- Business Continuity Standard
- Disaster Recovery Policy
- Disaster Recovery Standard
- Situation Response Policy

- Situation Response Standard

Risk Assessments are undertaken at all APAC locations by business unit using a risk tier rating based on standardized criteria to determine level of contingency planning. Business units determine business processes and dependencies having greatest impact in the event of a major disruption that forms the foundation of strategy and planning.

Business Impact Analysis (BIA) - a systematic process to determine and evaluate potential effects of an interruption to critical business operations because of an event that negatively impacts on Aon office. BIA are prepared following Guide v4 found at GPS:BTR Homepage on Aon Avenue.

Business Continuity Plans (BCP) – the plan containing the strategy the specific business unit deploys and all information to continue operations following an incident.

Disaster Recover Plans (DRP) – the plan containing the strategy the specific business unit deploys and all information to recover continue operations following an incident including recovery team, identification of disaster risks, critical applications and backup and offsite storage procedures.

Situation Response Plan (SRP) – provides a centralized approach to critical event management at a situation.

In addition to the top 6 ERM risks, we also address the following risks:

7. ANTI-BRIBERY AND CORRUPTION – controls include:

		<ul style="list-style-type: none"><li>• Anti-Corruption training to existing and new hires</li><li>• Strict policies concerning Use of Third Parties, Sponsorship, Donation, Gifts &amp; Entertainment</li><li>• Annual Code of Business Conduct training to all colleagues</li></ul> <p>Aon Ethics Helpline – no reprisals for reporting.</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>As a wholly owned company, internal audit function is managed at the global/regional level and is being extended to local subsidiaries such as Aon Ph.</p> <p>Independent global internal audit function which conducts audits on Asia operations from time to time.</p> <p>Aon PH fully cooperates with the global/regional office whenever there is a scheduled internal audit. We ensure that the deficiencies or infractions discovered or identified during in-house audit are immediately corrected.</p> <p>This practice ensures the integrity, transparency and proper governance within the Aon group and add value to improve the company's operations.</p>	
Recommendation 12.3			
1. The company has a qualified Chief Audit Executive (CAE) appointed by the Board.	Non-compliant		Due to size and low risk profile of Aon PH, appointment of a CAE at the local level is not necessary.
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		As a wholly owned company, all matters related to internal audit functions are managed at the global/regional level.
3. In case of a fully outsourced internal audit activity, a qualified independent executive or senior management personnel is assigned the responsibility for managing the fully outsourced internal audit activity.	Non-compliant		The responsibilities of the Chief Audit Executive (CAE) are focused on internal audit activities of the whole Aon group which includes internal audit plans and periodic report of audit activities, investigations and results of internal audit functions.
Recommendation 12.4			

1. The company has a separate risk management function to identify, assess and monitor key risk exposures.	Compliant	APAC CRO and APAC Risk Office oversee ERM in APAC.  The controls we adopt to manage our key risks are modelled after those at the APAC level.  Given that we are a wholly owned subsidiary of a multinational company, and given our size and low risk profile, setting up of a separate risk management function may not be applicable.	
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	APAC CRO and APAC Risk Office oversee ERM in APAC.  At the country level, controls in relation to our largest risks are in place (see responses above). These controls are reviewed from time to time. Responsibility for the management and control of risks currently resides with various senior officers within the company, including the CEO, CFO, Head of HR, Local Compliance Officer. The board is apprised of risks (including new risks) affecting the business at board meetings.	
2. CRO has adequate authority, stature, resources and support to fulfill his/her responsibilities.	Compliant		
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.	Non-compliant		Aon PH does not have its own Manual on Corporate Governance. Being a wholly owned company, it abides with the corporate governance programs/policies of the Aon Group.
2. Board ensures that basic shareholder rights are disclosed on the company's website.	Non-compliant		The basic rights of Aon's shareholders can be found in the groupwide manual on corporate governance published at parent company's website.
Recommendation 13.2			
1. Board encourages active shareholder participation by sending the Notice of Annual and Special Shareholders' Meeting with sufficient and relevant information at least 21 days before the meeting.	Non-compliant		This is not strictly observed for 2 practical reasons: first, the date of meeting is set after confirmation of availability of the directors and proxy of Aon PH; and second, Aon PH is a wholly owned subsidiary and the attendance of the

			proxy of the controlling stockholder amounts to 100% stockholder attendance. Upon the foregoing, the non-observance of the notice requirement does not pose any real violation of shareholder rights or inflict any unfairness to any stockholder.
Recommendation 13.3			
1. Board encourages active shareholder participation by making the result of the votes taken during the most recent Annual or Special Shareholders' Meeting publicly available the next working day.	Non-compliant		This is not applicable to Aon PH being a wholly owned company.
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	Non-compliant		Annual or special shareholder's meeting which involves the shareholders right to vote and opportunity to ask questions are performed at the regional/global office level.
Recommendation 13.4			
1. Board has an alternative dispute mechanism to resolve intra-corporate disputes in an amicable and effective manner.	Non-compliant		This is not applicable to Aon PH being a wholly owned company.
The alternative dispute mechanism is included in the company's Manual on Corporate Governance.	Non-compliant		The purpose of setting up an alternative dispute mechanism is to safeguard and ensure suitable remedies against the infringement of shareholders' rights.  Each of the five directors of Aon PH holds a single share only while Aon Holdings B.V. has 99.99% share of the company which makes it the biggest shareholder. Since there are no minority shareholders at Aon PH, there are no minority rights to be protected; thus, setting up of a dispute mechanism may not be necessary.
Duties to Stakeholders			
Principle 14: The rights of stakeholders established by law, by contractual relations and through voluntary commitments must be respected. Where stakeholders' rights and/or interests are at stake, stakeholders should have the opportunity to obtain prompt effective redress for the violation of their rights.			
Recommendation 14.1			
1. Board identifies the company's various stakeholders and promotes cooperation between them and the company in creating wealth, growth and sustainability.	Compliant	Our stakeholders include but are not limited to clients, employees, suppliers, shareholders, investors, creditors, the community we operate in, society, the government,	

		<p>regulators, among others. We consider our stakeholders as business partners.</p> <p>We abide to the groupwide policy involving our stakeholders. The Aon Code of Conduct serves as our guide in dealing with our business partners. It represents our principles and shared values, setting standards for how we work with each other, our clients and business partners.</p>	
<b>Recommendation 14.2</b>			
Board establishes clear policies and programs to provide a mechanism on the fair treatment and protection of stakeholders.	Compliant	<p>The Aon Code of Conduct serves as our guide in dealing with our stakeholders and other relevant third parties.</p> <p>We adhere to all applicable laws, regulations and professional standards that govern our business.</p> <p>We ensure that our stakeholders are treated fairly by dealing them professionally and by having clear, timely and regular communication with them so they can voice out any concerns that they may have.</p> <p>We make sure all relationships with business partners are conducted professionally and are based on objective criteria, fairness, and the best interests of Aon and its clients.</p> <p>Aon does not take advantage of anyone through manipulation, concealment, abuse of privileged information, misrepresentation, or by means of any other unfair practice. We do not misrepresent material facts or allow our independent judgment to be compromised. We compete fairly in the marketplace and abide by unfair competition and antitrust laws.</p>	
<b>Recommendation 14.3</b>			
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>All stakeholders can reach Aon PH to voice out their concerns and /or complaints for possible violation of their rights through this link:</p> <p><a href="https://www.aon.com/home/contact-us.html">https://www.aon.com/home/contact-us.html</a></p>	

		Any complaints coursed through the Ethics Helpline can remain anonymous, where permitted by local law.	
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**Principle 15:** A mechanism for employee participation should be developed to create a symbiotic environment, realize the company's goals and participate in its corporate governance processes.

**Recommendation 15.1**

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

Aon PH is encouraging its employees to have a work life balance and one way to support this is by adopting a flexible time work schedule.

On training and development, all employees can access the Aon learning platform where they can take short courses that are applicable or may interest them. Aon University supports all colleagues to learn new skills, explore and grow careers. The learner-focused approach enables colleagues to learn in a way that suits them, at a time that is convenient and with the support and feedback from others to help them embed their new skills more effectively.

In addition, we partnered with external training providers like Insurance Institute for Asia and the Pacific and Institute of Corporate Directors to provide employees with extensive trainings in relation to their role and job functions.

Aon emphasizes a culture of pay-for-performance. Aon is providing annual incentives to its employees. However, Aon may, at its absolute discretion, pay no bonus or a reduced bonus to any employee if he/she has conducted in a manner which breaches any of the corporate governance or risk management related policies or in the Code.



		Aon is providing extra time off to employees to recognize their hard work by offering Global Holidays.	
<b>Recommendation 15.2</b>			
1. Board sets the tone and makes a stand against corrupt practices by adopting an anticorruption policy and program in its Code of Conduct.	Compliant	<p>Aon's reputation as a leading professional services firm is built on delivering distinctive value to and representing the very best when it comes to integrity, ethics and values. Aon's Anti-Corruption program provides guidance and requirements for conducting business in accordance with the company's high ethical and legal standards.</p> <p>Below are the policies in the program:</p> <ul style="list-style-type: none"> <li>• Entertainment and Gifts Policy</li> <li>• Global Donations Policy</li> <li>• Global Sponsorship Policy</li> <li>• Policy Limiting Use of Third Parties</li> <li>• Policy on Rebating and Commission Sharing</li> <li>• Conflict of Interest</li> <li>• Code of Business Conduct</li> </ul> <p>Aon is committed to complying with the anti-corruption laws in all countries in which Aon operates, including the US Foreign Corrupt Practices Act, the UK Bribery Act, and legislation enacted in accordance with the Organization for Economic Cooperation and Development Convention on Combating Bribery of Foreign Public Officials in International Business Transactions. Aon's Anti-Bribery and Anti-Corruption Policy provides guidance and requirements to maintain Aon's compliance with anti-corruption laws.</p>	
2. Board disseminates the policy and program to employees across the organization through trainings to embed them in the company's culture.	Compliant	Training is an integral component of an effective ethics and compliance program. Aon colleagues are assigned compliance courses on an annual basis. Aon employees can access the Aon University platform where they can take short courses that are applicable or may interest them.	
<b>Recommendation 15.3</b>			

1. Board establishes a suitable framework whistleblowing that allows employees to freely communicate their concerns about illegal or unethical practices, without fear of retaliation.	Compliant	The Ethics Helpline is a way to report in good faith possible violations of Aon's Code of Business Conduct, Aon policies and procedures, or laws and regulations.	
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	Those who contact the Ethics Helpline can remain anonymous if they choose, where permitted by local law. The Ethics Helpline does not utilize Caller ID and does not track IP addresses used for online forms. Reporters who choose to provide their names will have their identities protected to the extent possible and allowed by law.	
3. Board supervises and ensures the enforcement of the whistleblowing framework.	Compliant	Aon's Ethics Helpline is operated by an independent third-party provider which helps ensure the confidentiality and anonymity of calls.  Aon takes all allegations seriously strictly prohibits intimidation or retaliation against anyone who makes a good faith report. However, if a report is made in "bad faith" – for instance, if a false or misleading report is made in a deliberate effort to get someone in trouble (as opposed to an honest mistake) – the person making the report may be subject to disciplinary consequences.	

**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	<p>We have a responsibility to conduct business in a manner that has a sustainable, positive impact. Aon colleagues deliver sustainable improvement to the communities where we work and live.</p> <p>At Aon, we support equality. We provide equal treatment and equal employment opportunity without regard to any protected status or other characteristic.</p> <p>We recognize the LGBTQ+ community and their positive impacts and contributions to the company. We want all colleagues to feel comfortable bringing their authentic self</p>	
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		<p>to work each day by promoting LGBTQ friendly workplace and supporting LGBTQ+ equality.</p> <p>We consistently support charitable organizations as well.</p> <p>In addition, we celebrate Aon United Day for Communities. This is a great opportunity for teambuilding outside of the office while supporting a good cause in our community in partnership with our chosen foundations.</p> <p>We also recognize our role in contributing to a clean and healthy environment. Aon is progressing towards our commitment to be Net-Zero by 2030. We have reduced our emissions by 16% since 2019 by thoughtfully managing our supply chain, real estate footprint and our travel.</p> <p>Our Aon United strategies continue to enable our Net-Zero goals through active engagement with our colleagues, enhancement of our Smart Working capabilities which are aligned with our Environmental Policy.</p> <p>We facilitate open, ongoing and direct communication with colleagues through forums and town halls, colleague surveys and engagement through our business resource groups. These channels allow us to rapidly gather insights and take action to deliver on the needs of colleagues in real time — ensuring colleagues feel more connected, more valued and more relevant.</p> <p>Our Smart Working strategy — which offers the option of working at home, in the office or in a hybrid approach — enables colleagues to deliver their best work for clients and collaborate effectively from wherever they are best placed to do so.</p>	
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