



西 聯 保 險 有 限 公 司

WESTERN GUARANTY CORPORATION

Insurance for All Seasons, for All Reasons.

SINCE 1964

May 11, 2026
Ref# Actng 26-006

HON. COMMISSIONER REYNALDO A. REGALADO
Insurance Commission
United Nations Avenue
Manila



Dear Commissioner Regalado,

With reference to IC Circular Letter 2020-72 dated June 13, 2020, we submit herewith the duly accomplished Annual Corporate Governance Report (AGCR) covering the period 2025 together with its attachment.

We hope you will find everything in order.

Thank you.

Very truly yours,


Carmelita
CARMELITA M. PESTANIO
Vice President - Accounting Department

Encls: a/s
/jane

CERTIFICATION

The undersigned certify that the responses and explanations set forth in the above Company's Annual Corporate Governance Report are true, complete and correct of our own personal knowledge and/or based on authentic records.

Signed in the City of Manila on the APR 24 2026 of _____ 2026.

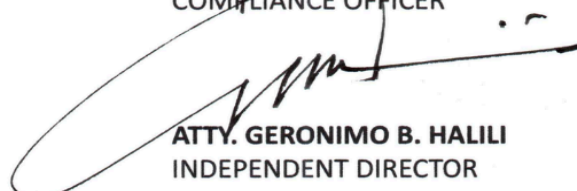

ATTY. LEVY EDWIN C. ANG
CHAIRMAN OF THE BOARD


CHOA SIU TIN
PRESIDENT



ATTY. ELSA R. REBLORA
CORPORATE SECRETARY


CLARITA N. CHUA
COMPLIANCE OFFICER



ATTY. CAESAR R. CERTEZA
INDEPENDENT DIRECTOR


ATTY. GERONIMO B. HALILI
INDEPENDENT DIRECTOR

SUBSCRIBED AND SWORN to before me this APR 24 2026 day of _____, 2026, by the following who are all personally known to me (or whom I have identified through competent evidence of identity) and who exhibited to me their respective identification document as follows:

| NAME | ID NO. | DATE/PLACE ISSUED |
|-----------------------------|---|-------------------|
| 1. Atty. Levy Edwin C. Ang |  | |
| 2. Choa Siu Tin | | |
| 3. Atty. Elsa R. Reblora | | |
| 4. Clarita N. Chua | | |
| 5. Atty. Caesar R. Certeza | | |
| 6. Atty. Geronimo B. Halili | | |

Doc. No. 346
Page No. 70;
Book No. 260;
Series of 2026.


NOTARY PUBLIC
ATTY. NESTOR C. TAMBIO
NOTARY PUBLIC FOR CITY OF MANILA
COMMISSION NO. 2025-053 UNTIL DEC. 31, 2026
RM. 422A MBU BLDG. PLAZA STA. CRUZ MLA.
TEL NO. 87337939 / ROLL OF ATTY. NO. 30111
ICP NO. 460946- 8-09-24
PTR NO. MLA. 0364517- 1-2-2026
MCLE VIII-0017737 , 12-18-2024

**ANNUAL CORPORATE GOVERNANCE REPORT OF
WESTERN GUARANTY CORPORATION**

1. For the fiscal year ended **2025**
2. SEC Identification Number **2025-58-R**
3. **Manila, Philippines**
Province, Country or other jurisdiction of incorporation or organization
4. **11th Floor ETY Building, 484 Quintin Paredes Street, Binondo, Manila** **1009**
Address of principal office Postal Code
5. **(02) 8241-7401**
Company's telephone number, including area code
6. **www.westernguaranty.ph**
Company's official website
7. **N/A**
Former name, former address, and former fiscal year, if changed since last report.

ANNUAL CORPORATE GOVERNANCE REPORT

| | COMPLIANT / NON-COMPLIANT | ADDITIONAL INFORMATION | EXPLANATION |
|--|---------------------------------|------------------------|-------------|
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The Board's Governance Responsibilities

Principle 1: The company should be headed by a competent, working board to foster the long- term success and sustainability of the corporation in a manner consistent with its corporate objectives and the long- term best interests of its shareholders and other stakeholders.

Recommendation 1.1

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| 1. Board is composed of directors with collective working knowledge, experience or expertise that is relevant to the company's industry/sector. | Compliant | Western Guaranty Corporation is a family corporation headed by Atty, Levy Edwin C. Ang as Chairman with various professional and academic backgrounds and experience. Reference: BOD & Key Officers' Profiles. | |
| 2. Board has an appropriate mix of competence and expertise. | Compliant | Reference: Corporate Governance Manual – Section V: Qualifications of the Members of the Board | |
| 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

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|--|---------------|--|---|
| 1. Board is composed of a majority of non-executive directors. | Non-Compliant | | The Board is composed of seven (7) members, only three (3) are non-executive directors Reference: 2025 General Information Sheet |
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Recommendation 1.3

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| 1. Company provides in its Board Charter or Manual on Corporate Governance a policy on training of directors. | Compliant | Our policy on training of Directors is included in our Corporate Governance Manual Section VIII - Trainings of the Members of the Board Reference: Corporate Governance Manual | |
| 2. Company provides in its Board Charter or Manual on Corporate Governance an orientation program for first time directors. | Compliant | None of our directors in 2025 is a first-time director. All Directors have attended the training related to Corporate Governance. | |
| 3. Company has relevant annual continuing training for all directors. | Compliant | Reference: List of Training Certificates | |

Recommendation 1.4

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| 1. Board has a policy on board diversity. | Compliant | <p>Our policy on Board Diversity is included in our Corporate Governance Manual</p> <p>Reference: Corporate Governance Manual</p> <p>In 2025, The Board is composed of two (2) female Directors and five (5) male Directors.</p> <p>Reference: 2025 General Information Sheet</p> | |
| Recommendation 1.5 | | | |
| 1. Board is assisted in its duties by a Corporate Secretary. | Compliant | <p>Atty. Elsa R. Reblora is the elected Corporate Secretary</p> | |
| 2. Corporate Secretary is a separate individual from the Compliance Officer. | Compliant | <p>Duties & responsibilities of Corporate Secretary are provided in our Amended By-Laws and Corporate Governance Manual – Section 1</p> <p>The Corporate Secretary is Atty. Elsa R. Reblora while the Compliance Officers are Ms Clarita N. Chua and Ms Carmelita M. Pestanio.</p> | |
| 3. Corporate Secretary is not a member of the Board of Directors. | Compliant | <p>Reference: 2025 General Information Sheet</p> | |

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| 4. Corporate Secretary attends training/s on corporate governance. | Compliant | <p>Atty. Reblora has attended the corporate governance training conducted by Insurance Institute for Asia and the Pacific, Inc. last August 23, 2021.</p> <p>Reference: List of Training Certificates</p> | |
| Recommendation 1.6 | | | |
| 1. Board is assisted by a Compliance Officer. | Compliant | Ms Clarita N. Chua and Ms Carmelita M. Pestanio are the appointed Compliance Officer | |
| 2. Compliance Officer has a rank of Senior Vice President or an equivalent position with adequate stature and authority in the corporation. | Compliant | <p>Ms. Chua has a position equivalent to that of a rank of EVP & GM while Ms Pestanio has a position equivalent to that of a rank of VP-Accounting, both with adequate stature and authority in the Corporation.</p> <p>Ms Chua and Ms Pestanio are not members of the Board</p> | |
| 3. Compliance Officer is not a member of the board. | Compliant | <p>Reference: 2025 General Information Sheet</p> | |

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| 4. Compliance Officer attends training/s on corporate governance. | Compliant | Ms Chua and Ms Pestanio have attended the corporate governance training conducted by Insurance Institute for Asia and the Pacific, Inc. last August 23, 2021 Reference: List of Training Certificates | |
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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.

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

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| 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 | Reference: 2025 Minutes of the Annual Stockholders Meeting | |
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Recommendation 2.2

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| 1. Board oversees the development, review and approval of the company's business objectives and strategy. | Compliant | Reference: 2025 Minutes of the Annual Stockholders Meeting Special meeting and annual review of business objectives and strategy were taken up by the board. Reference: Amended By-Laws | |
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| 2. Board oversees and monitors the implementation of the company's business objectives and strategy in order to sustain the company's long-term viability and strength. | Compliant | | |
| Recommendation 2.3 | | | |
| 1. Board is headed by a competent and qualified Chairperson. | Compliant | <p>Our Chairman of the Board is Atty. Levy Edwin C. Ang.</p> <p>Reference: 2025 General Information Sheet and BOD & Key Officers' Profiles.</p> | |
| Recommendation 2.4 | | | |
| 1. Board ensures and adopts an effective succession planning program for directors, key officers and management. | Compliant | <p>Our company's succession planning is provided in our Corporate Governance Manual.</p> <p>The company's retirement plan for directors, officers and employees is provided in WGC Retirement Plan.</p> | |
| 2. Board adopts a policy on the retirement for directors and key officers. | Compliant | Reference: Corporate Governance Manual & WGC Retirement Plan | |
| Recommendation 2.5 | | | |

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| <p>1. Board formulates and adopts a policy specifying the relationship between remuneration and performance of key officers and board members.</p> | <p>Compliant</p> | <p>Our policy on board remuneration and performance of key officers is provided in our Corporate Governance Manual.</p> <p>Directors do not participate in discussions and deliberations involving his/her own remuneration.</p> | |
| <p>2. Board aligns the remuneration of key officers and board members with long-term interests of the company.</p> | <p>Compliant</p> | <p>Reference: Corporate Governance Manual Section IX - Remuneration & Section X – Performance Evaluation</p> | |
| <p>3. Directors do not participate in discussions or deliberations involving his/her own remuneration.</p> | <p>Compliant</p> | | |

Recommendation 2.6

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| 1. Board has a formal and transparent board nomination and election policy. | Compliant | Our policy on board nomination and election is disclosed in our Corporate Governance Manual. Reference: Corporate Governance Manual Section IV - Board Committees & Section V - Qualifications of the Members of the Board | |
| 2. Board nomination and election policy is disclosed in the company's Manual on Corporate Governance. | Compliant | The Corporate Governance, Compensation & Remuneration and Nomination Committee ensures that only those qualified nominees that have all the qualification of directorship to be elected to the Board. | |
| 3. Board nomination and election policy includes how the company accepts nominations from minority shareholders. | Compliant | | |
| 4. Board nomination and election policy includes how the board reviews nominated candidates. | Compliant | | |
| 5. Board nomination and election policy includes an assessment of the effectiveness of the Board's processes in the nomination, election or replacement of a director. | Compliant | | |

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| 6. Board has a process for identifying the quality of directors that is aligned with the strategic direction of the company. | Compliant | | |
| Recommendation 2.7 | | | |
| 1. Board has overall responsibility in ensuring that there is a group-wide policy and system governing related party transactions (RPTs) and other unusual or infrequently occurring transactions. | Compliant | <p>Our policy on Related Party Transactions (RPTs) and other unusual or infrequently occurring transactions is disclosed in our Corporate Governance Manual and we have no related party transactions.</p> <p>Reference: Corporate Governance Manual</p> | |
| 2. RPT policy includes appropriate review and approval of material RPTs, which guarantee fairness and transparency of the transactions. | Compliant | | |
| 3. RPT policy encompasses all entities within the group, taking into account their size, structure, risk profile and complexity of operations. | Compliant | | |
| Recommendation 2.8 | | | |

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| <p>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).</p> | <p>Compliant</p> | <p>The Board is primarily responsible for appointing and approving the selection of management team.</p> <p>Reference: Corporate Governance Manual Section IV - Board Committees.</p> | |
| <p>2. Board is primarily responsible for assessing the performance of Management led by the Chief Executive Officer (CEO) and the heads of the other control functions (Chief Risk Officer, Chief Compliance Officer and Chief Audit Executive).</p> | <p>Compliant</p> | <p>The Board is primarily responsible for assessing the performance of Management Team conducted on annual basis.</p> | |
| Recommendation 2.9 | | | |
| <p>1. Board establishes an effective performance management framework that ensures that Management, including the Chief Executive Officer performance is at par with the standards set by the Board and Senior Management.</p> | <p>Compliant</p> | <p>Reference: Performance Review and Development Report</p> | |

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| 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 | | |
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Recommendation 2.10

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| 1. Board oversees that an appropriate internal control system is in place. | Compliant | The Board establishes the Audit Committee with Duties and Responsibilities Reference: Corporate Governance Manual Section IV | |
| 2. The internal control system includes a mechanism for monitoring and managing potential conflict of interest of the Management, members and shareholders. | Compliant | | |
| 3. Board approves the Internal Audit Charter. | Compliant | The Audit Committee meets with the Board at least every quarter with other management team members and periodically meets with the head of the internal audit. | |

Recommendation 2.11

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| <p>1. Board oversees that the company has in place a sound enterprise risk management (ERM) framework to effectively identify, monitor, assess and manage key business risks.</p> | <p>Compliant</p> | <p>Our policy on Risk Management Framework is disclosed in our Corporate Governance Manual</p> <p>Reference: Corporate Governance Manual</p> | |
| <p>2. The risk management framework guides the board in identifying units/business lines and enterprise-level risk exposures, as well as the effectiveness of risk management strategies.</p> | <p>Compliant</p> | | |
| Recommendation 2.12 | | | |
| <p>1. Board has a Board Charter that formalizes and clearly states its roles, responsibilities and accountabilities in carrying out its fiduciary duties.</p> | <p>Non-Compliant</p> | | <p>Board Charter still on progress</p> |
| <p>2. Board Charter serves as a guide to the directors in the performance of their functions.</p> | <p>Non-Compliant</p> | | <p>Board Charter still on progress</p> |

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| 3. Board Charter is publicly available and posted on the company's website. | Non-Compliant | | Board Charter still on progress |
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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

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| 1. Board establishes board committees that focus on specific board functions to aid in the optimal performance of its roles and responsibilities. | Compliant | <p>The Board establishes different board committees that focus on specific board functions.</p> <p>Reference: Corporate Governance Manual Section IV – Board Committees.</p> | |
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Recommendation 3.2

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| 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. | Compliant | One of the responsibilities of Audit Committee is to recommend the appointment and removal of the company's external auditor. | |
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| <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>The Audit Committee is composed of five (5) and headed by Ms Choa Siu Tin</p> <p>Reference: List of Members Per Committee</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>Reference: BOD & Key Officers' Profiles.</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>The Head of the Audit Committee is not the Chairman of the Board of any other committee</p> <p>Reference: List of Members Per Committee</p> | |
| Recommendation 3.3 | | | |
| <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>Our policy on Corporate Governance Committee is disclosed in our Corporate Governance Manual</p> <p>Reference: Corporate Governance Manual Section IV – Board Committees</p> | |

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| 2. Corporate Governance Committee is composed of at least three members, majority of whom should be independent directors. | Compliant | The Corporate Governance Committee are composed of three (3) members. | |
| 3. Chairman of the Corporate Governance Committee is an independent director. | Compliant | The Head of the Corporate Governance Committee is Atty. Caesar Certeza, who is an Independent Director Reference: 2025 General Information Sheet | |
| Recommendation 3.4 | | | |
| 1. Board establishes a separate Board Risk Oversight Committee (BROC) that should be responsible for the oversight of a company's Enterprise Risk Management system to ensure its functionality and effectiveness. | Compliant | Our policy on Risk Management Framework is disclosed in our Corporate Governance Manual Reference: Corporate Governance Manual | |
| 2. BROC is composed of at least three members, the majority of whom should be independent directors, including the Chairman. | Compliant | Our BROC are composed of four (4) members and headed by Ms Ma Joselita L. Ang Reference: List of Members Per Committee and BOD & Key Officers' Profiles. | |

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| 3. The Chairman of the BROCC is not the Chairman of the Board or of any other committee. | Compliant | The Head of the BROCC is not the Chairman of the Board of any other committee | |
| 4. At least one member of the BROCC has relevant thorough knowledge and experience on risk and risk management. | Compliant | Mr. Johnson M. Kwan is one of the committee members who has a relevant thorough knowledge and experience on risk management BOD & Key Officers' Profiles. | |

Recommendation 3.5

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| 1. Board establishes a Related Party Transactions (RPT) Committee, which is tasked with reviewing all material related party transactions of the company. | Compliant | Our policy on Related Party Transaction is included in our Corporate Governance Manual Reference: Corporate Governance Manual | |
| 2. RPT Committee is composed of at least three non-executive directors, majority of whom should be independent, including the Chairman. | Compliant | Our RPT Committee are composed of four (4) members including the Head Reference: List of Members Per Committee | |

Recommendation 3.6

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| 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. | Non-Compliant | | Preparation of Committee Charter is still on process |
| 2. Committee Charters provide standards for evaluating the performance of the Committees. | Non-Compliant | | Preparation of Committee Charter is still on process |
| 3. Committee Charters were fully disclosed on the company's website. | Non-Compliant | | Preparation of Committee Charter is still on process |

Principle 4: To show full commitment to the company, the directors should devote the time and attention necessary to properly and effectively perform their duties and responsibilities, including sufficient time to be familiar with the corporation's business.

Recommendation 4.1

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| 1. The Directors attends and actively participates in all meetings of the Board, Committees and shareholders in person or through tele-/videoconferencing conducted in accordance with the rules and regulations of the Commission. | Compliant | Our policy on Stockholders meeting is disclosed in our Corporate Governance Manual and Amended By-laws Article II – Stockholders' Meetings Reference: 2025 Minutes of the Annual Stockholders Meeting | |
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| 2. The directors review meeting materials for all Board and Committee meetings. | Compliant | Our policy on Board Committee meetings is disclosed in Amended By-laws Article III – Board of Directors | |
| 3. The directors ask the necessary questions or seek clarifications and explanations during the Board and Committee meetings. | Compliant | No occurrence during the Board and Committee meetings | |
| Recommendation 4.2 | | | |
| 1. Non-executive directors concurrently serve as directors to a maximum of five Insurance Commission Regulated Entities (ICREs) and publicly-listed companies to ensure that they have sufficient time to fully prepare for meetings, challenge Management's proposals/views, and oversee the long-term strategy of the company. | Compliant | Our policy on multiple board seats is provided in our Corporate Governance Manual The BOD directorships are provided in the Directors and Key Officers' Profiles | |
| Recommendation 4.3 | | | |
| 1. The directors notify the company's board where he/she is an incumbent director before accepting a directorship in another company. | Compliant | There are no directors serving as directors in another company | |

Principle 5: The board should endeavor to exercise an objective and independent judgment on all corporate affairs

Recommendation 5.1

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| 1. The Board is composed of at least twenty percent (20%) independent directors. | Compliant | During the 2024 Annual Stockholders Meeting, two (2) Independent Directors were elected for the year 2025. Reference: 2025 Minutes of the Annual Stockholders Meeting and 2025 General Information Sheet | |
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Recommendation 5.2

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| 1. The independent directors possess all the necessary qualifications and none of the disqualifications to hold the position. | Compliant | The qualifications and disqualifications of an Independent Directors are provided in our Corporate Governance Manual | |
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Recommendation 5.3

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| <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> <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.</p> | <p>Non-Compliant</p> | | <p>Our Independent Directors are:</p> <ol style="list-style-type: none"> 1. Atty. Caesar R. Certeza – Director since 2014 2. Atty. Geronimo Halili – Director since 2017 <p>One of our Directors, Atty. Certeza already served more than nine years maximum cumulative term</p> <p>Reference: 2025 Minutes of the Annual Stockholders Meeting</p> |
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| <p>2. The company bars an independent director from serving in such capacity after the term limit of nine years.</p> | <p>Compliant</p> | <p>Reference: Corporate Governance Manual Section III – Independent Directors</p> <p>The company bars an independent director from serving in such capacity after the term limit but was approved by the stockholders during the Annual Stockholders' Meeting</p> <p>Reference: 2025 Minutes of the Annual Stockholders Meeting</p> | |
| <p>3. In the instance that the company retains an independent director in the same capacity after nine years, the board submits to the Insurance Commission a formal written justification and seek shareholders' approval during the annual shareholders' meeting.</p> | <p>Non-Compliant</p> | | <p>The company retains an independent director after serving the term limit because of the approval from the Stockholders during the Annual Stockholders' Meeting but failed to submit a formal written notice to the Insurance Commission.</p> <p>Reference: 2025 Minutes of the Annual Stockholders Meeting</p> |
| Recommendation 5.4 | | | |
| <p>1. The positions of Chairman of the Board and Chief Executive Officer are held by separate individuals.</p> | <p>Compliant</p> | <p>The Chairman of the Board is Atty. Levy Edwin C. Ang while the President is Ms Choa Siu Tin.</p> | |

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| 2. The Chairman of the Board and Chief Executive Officer have clearly defined responsibilities. | Compliant | The roles of the Chairman of the Board and the President are provided in our Amended By-Laws and Corporate Governance Manual | |
| Recommendation 5.5 | | | |
| 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. | Compliant | The Chairman of the Board and the President are held by separate individuals. The Chairman of the Board is not an Independent Director. Reference: 2025 General Information Sheet | |
| Recommendation 5.6 | | | |
| 1. Directors with material interest in a transaction affecting the corporation should abstain from taking part in the deliberations for the same. | Compliant | One of the responsibilities of the Board is to desist from all transaction with his/her material interest. Reference: Corporate Governance Manual | |
| Recommendation 5.7 | | | |

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| 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 | | Meetings between non-executive directors with external auditor and heads of internal audit is still to be scheduled. |
| 2. The meetings are chaired by the lead independent director. | Non-Compliant | | No meetings were done as of the moment. |

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

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| 1. Board conducts an annual self-assessment of its performance as a whole. | Compliant | Reference: Corporate Governance Manual Section X – Performance Evaluation | |
| 2. The performance of the Chairman is assessed annually by the Board. | Compliant | | |

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| 3. The performance of the individual member of the Board is assessed annually by the Board. | Compliant | | |
| 4. The performance of each committee is assessed annually by the Board. | Compliant | | |
| 5. Every three years, the assessments are supported by an external facilitator. | Non-Compliant | . | Still for compliance |

Recommendation 6.2

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| 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 | Reference: Corporate Governance Manual Section VII – Conduct of Board of Directors Meetings | |
| 2. The system allows for a feedback mechanism from the shareholders. | Compliant | | |

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

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| <p>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.</p> | <p>Compliant</p> | <p>Written code of Business Conduct and Ethics was disseminated to all officers and employees for information, guidance and compliance.</p> | |
| <p>2. The Code is properly disseminated to the Board, senior management and employees.</p> | <p>Compliant</p> | <p>Part of the orientation of the newly hired employee.</p> | |
| <p>3. The Code is disclosed and made available to the public through the company website.</p> | <p>Compliant</p> | <p>Company's website: https://westernguaranty.ph</p> | |
| Recommendation 7.2 | | | |
| <p>1. Board ensures the proper and efficient implementation and monitoring of compliance with the Code of Business Conduct and Ethics.</p> | <p>Compliant</p> | <p>Issuance of Memorandum to remind employees to comply to Code of Business Conducts & Ethics.</p> <p>All officers and employees are required to comply with the Code of Business Conduct and Ethics</p> | |

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| 2. Board ensures the proper and efficient implementation and monitoring of compliance with company internal policies. | Compliant | | |
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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

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| 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 | <p>Our policy on Disclosure and Transparency is provided in our Corporate Governance Manual</p> <p>Reference: Corporate Governance Manual - Disclosure and Transparency</p> | |
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Recommendation 8.2

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| 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 | <p>Reference: Corporate Governance Manual- Disclosure and Transparency</p> <p>Reference: 2025 Minutes of the Annual Stockholders Meeting</p> | |
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| 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 | | |
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Recommendation 8.3

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| 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 | Reference: BOD & Key Officers' Profiles. | |
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| 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 | Reference: BOD & Key Officers' Profiles. | |
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Recommendation 8.4

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| <p>1. Company provides a clear disclosure of its policies and procedure for setting Board remuneration, including the level and mix of the same in the Annual Corporate Governance Report Consistent with ASEAN Corporate Governance Scorecard (ACGS) and the Revised Corporation Code.</p> | <p>Compliant</p> | <p>Reference: Corporate Governance Manual : Disclosure and Transparency & Section IV – Board Committees</p> | |
| <p>2. Company provides a clear disclosure of its policies and procedure for setting Executive remuneration, including the level and mix of the same in the Annual Corporate Governance Report consistent with AESAN Corporate Governance Scorecard (ACGS) and the Revised Corporation Code.</p> | <p>Compliant</p> | <p>Reference: Corporate Governance Manual : Disclosure and Transparency & Section IV – Board Committees</p> | |
| <p>3. Company discloses the remuneration on an individual basis, including termination and retirement provisions.</p> | <p>Compliant</p> | <p>For privacy purposes, the company discloses only the policy on remuneration.</p> | |

Recommendation 8.5

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| <p>1. Company discloses its policies governing Related Party Transactions (RPTs) and other unusual or infrequently occurring transactions.</p> | <p>Compliant</p> | <p>Our policy on Related Party Transactions is provided in our Corporate Governance Manual</p> <p>No director has conflict of interest on any transactions that happened during Board Meetings.</p> | |
| <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.</p> | <p>Compliant</p> | <p>No RPT's transaction occurred for the year 2025</p> | |
| <p>Recommendation 8.6</p> | | | |
| <p>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.</p> | <p>Compliant</p> | <p>Reference: Corporate Governance Manual : Disclosure and Transparency & Section IV – Board Committees</p> | |

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| 2. Board appoints an independent party to evaluate the fairness of the transaction price on the acquisition or disposal of assets. | Compliant | No acquisition or disposal of assets was done during the year 2025. | |
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Recommendation 8.7

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| 1. Company's corporate governance policies, programs and procedures are contained in its Manual on Corporate Governance (MCG) | Compliant | Reference: Corporate Governance Manual | |
| 2. Company's MCG is posted on its company website. | Compliant | | |

Principle 9: The company should establish standards for the appropriate selection of an external auditor, and exercise effective oversight of the same to strengthen the external auditor's independence and enhance audit quality.

Recommendation 9.1

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| 1. Audit Committee has a robust process for approving and recommending the appointment, reappointment, removal, and fees of the external auditors. | Compliant | Reference: Corporate Governance Manual IV – Board Committees | |
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| <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>Reference: Corporate Governance Manual Section IV – Board 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>Reference: Corporate Governance Manual IV – Board Committees</p> | |
| <p>Recommendation 9.2</p> | | | |

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| <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>Reference: Corporate Governance Manual</p> <ul style="list-style-type: none"> 1. Section IV – Board Committees 2. Auditors Section II – External Auditors | |
| <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>Our policy on Audit Committee Charter including Committees responsibility is disclosed in our Corporate Governance Manual</p> <p>Reference: Corporate Governance Manual Section IV – Board Committees</p> | |

| Recommendation 9.3 | | | |
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| 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 | There are no non-audit services performed by 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 | Reference: Corporate Governance Manual Section IV – Board Committees | |
| 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 | Reference: Corporate Governance Manual – Sustainability and Social Responsibility | |

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| 2. Company adopts a globally recognized standard/framework in reporting sustainability and non-financial issues. | Compliant | Reference: Corporate Governance Manual – Sustainability and Social Responsibility | |
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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

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| 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 | Company website , FB Page , Emails , Circulars, Short Message Services (SMS), Video Conferencing and Viber. | |
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Internal Control System and Risk Management Framework

Principle 12: To ensure the integrity, transparency and proper governance in the conduct of its affairs, the company should have a strong and effective internal control system and enterprise risk management framework.

Recommendation 12.1

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| 1. Company has an adequate and effective internal control system in the conduct of its business. | Compliant | Reference: Corporate Governance Manual / The Board of Directors; Section IV – Audit Committee | |
| 2. Company has an adequate and effective enterprise risk management framework in the conduct of its business. | Compliant | Reference: Corporate Governance Manual / Risk Management Framework | |

Recommendation 12.2

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| <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>Our company has an in-house internal audit.</p> | |
| Recommendation 12.3 | | | |
| <p>1. Company has a qualified Chief Audit Executive (CAE) appointed by the Board.</p> | <p>Compliant</p> | <p>Our Chief Audit Executive appointed by the Board is Ms Teresita N. Vergara</p> <p>Reference: 2025 General Information Sheet</p> | |
| <p>2. CAE oversees and is responsible for the internal audit activity of the organization, including that portion that is outsourced to a third party service provider.</p> | <p>Compliant</p> | <p>The duties of CAE are disclosed in our Corporate Governance Manual</p> <p>Reference: Corporate Governance Manual / The Board of Directors Section IV – Audit Committee</p> | |
| <p>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.</p> | <p>Compliant</p> | <p>Not Applicable</p> | |

| Recommendation 12.4 | | | |
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| 1. Company has a separate risk management function to identify, assess and monitor key risk exposures. | Compliant | Reference: Corporate Governance Manual / Risk Management Framework | |

| Recommendation 12.5 | | | |
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| 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 | Our company's chief risk officer is Mr Johnson M. Kwan. | |
| 2. CRO has adequate authority, stature, resources and support to fulfill his/her responsibilities. | Compliant | Reference: BOD & Key Officers' Profiles . | |

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 | | | |
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| 1. Board ensures that basic shareholder rights are disclosed in the Manual on Corporate Governance. | Compliant | Our Manual on Corporate Governance discloses the basic shareholder rights and the same is posted in our company website. | |

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| 2. Board ensures that basic shareholder rights are disclosed on the company's website. | Compliant | Our Company's Website: https://westernguaranty.ph | |
| Recommendation 13.2 | | | |
| 1. Board encourages active shareholder participation by sending the Notice of Annual and Special Shareholders' Meeting with sufficient and relevant information at least 21 days before the meeting. | Compliant | Our company doesn't have any shareholders other than the members of the Board. | |
| 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 | No occurrence during the last Annual Stockholders' Meeting. | |
| 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 | No occurrence during the last Annual Stockholders' Meeting. | |
| Recommendation 13.4 | | | |
| 1. Board has an alternative dispute mechanism to resolve intra-corporate disputes in an amicable and effective manner. | Compliant | There was no instance where our policy on alternative dispute resolution was required to resolve intra-corporate disputes. | |

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| 2. The alternative dispute mechanism is included in the company's Manual on Corporate Governance. | Compliant | Reference: Corporate Governance Manual – Risk Management Framework | |
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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

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| 1. Board identifies the company's various stakeholders and promotes cooperation between them and the company in creating wealth, growth and sustainability. | Compliant | Reference: Corporate Governance Manual - The Management Team & Risk Management Framework | |
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Recommendation 14.2

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| 1. Board establishes clear policies and programs to provide a mechanism on the fair treatment and protection of stakeholders. | Compliant | Reference: Corporate Governance Manual - Whistleblower Policy. | |
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Recommendation 14.3

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| 1. Board adopts a transparent framework and process that allow stakeholders to communicate with the company and to obtain redress for the violation of their rights. | Compliant | Whistleblowing reports or concerns may be sent through our email address at customercare@westernguaranty.ph or company phone # at 82417401. | |
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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

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| <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>The Board establishes policies and procedures that encourage employees to participate by conducting an annual performance evaluation.</p> | |
| <p>Recommendation 15.2</p> | | | |
| <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>Reference: WGC Employee Code of Conduct</p> | |
| <p>2. Board disseminates the policy and program to employees across the organization through trainings to embed them in the company's culture.</p> | <p>Compliant</p> | <p>The Board disseminates the policy and programs to employee by way of memorandum, meetings and chat group.</p> | |
| <p>Recommendation 15.3</p> | | | |
| <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>Reference: Corporate Governance Manual - Whistleblower Policy</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>Reference: Corporate Governance Manual- Whistleblower Policy</p> | |

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| 3. Board supervises and ensures the enforcement of the whistleblowing framework. | Compliant | Whistleblowing reports or concerns may be sent through our email address at mailto:customercare@westernguaranty.ph or company phone # at 82417401. | |
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| 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 | Our company conducted a yearly blood-letting activity which participated by majority of our people, Western Guaranty Employee. | |