

ANNUAL CORPORATE GOVERNANCE REPORT

RECOMMENDED CG PRACTICE / POLICY	COMPLIANT / NON-COMPLIANT	ADDITIONAL INFORMATION	EXPLANATION
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	Revised Manual on Corporate Governance, Article X, Section 1B, page 23; Digital Annual Report; 2020 Paramount News/Media Releases	
Recommendation 14.2			
1. Board establishes clear policies and programs to provide a mechanism on the fair treatment and protection of stakeholders,	Compliant	Revised Manual on Corporate Governance, Article X, Section 2, page 24	
Recommendation 14.3			
1. Board adopts a transparent framework and process that allow stakeholders to communicate with the company and to obtain redress for the violation of their rights,	Compliant	Digital Annual Report, Reporting Feedback; Whistleblowing Policy	
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 process.			
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	Employee Training Policy; Actuarial Professional Development Program; Digital Annual Report	

Recommendation 15.2

<p>1. Board sets the tone and makes a stand against corrupt practices by adopting an anticorruption policy and program in its Code of Conduct,</p>	<p>Compliant</p>	<p>Whistleblowing Policy; Digital Annual Report</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>Digital Annual Report</p> <p>Upon approval by the Board of any company policy, the same is disseminated by email to the employees and if necessary, through virtual town hall meetings and video conferences. The same is also accessible at any time through the company website.</p> <p>For new employees, these policies and programs are part of their orientation during the company's onboarding process.</p>	

Recommendation 15.3

<p>1. Board establishes a suitable framework for whistleblowing that allows employees to freely communicate their concerns about illegal or unethical practices, without fear of retaliation.</p>	<p>Compliant</p>	<p>Digital Annual Report, Reporting Feedback;</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>Whistleblowing Policy</p>	
<p>3. Board supervises and ensures the enforcement of the whistleblowing framework</p>	<p>Compliant</p>	<p>Whistleblowing Policy;</p> <p>Any stakeholder may whistleblow directly to the President or Chairman, which are both part of the Board.</p>	<p>There are no reported cases of whistleblowing.</p>

Principle 16: The company should be socially responsible in all its dealings with the communities 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	Digital Annual Report	
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