

**ANNUAL CORPORATE GOVERNANCE REPORT OF
FIRST UNION PLANS, INC.**



1. For the fiscal year ended December 31, 2022.
2. Certificate of Authority Number PN-2022-12-R
3. Pasig City, Philippines
Province, Country or othe jurisdiction of incorporation or organization
4. 25th Floor, Unionbank Plaza, Meralco Avenue corner Onyx & Sapphire Roads, Ortigas Center, Pasig City 1605
Address of principal office
5. (632) 7617-2969 & (632) 7617-9288
Company's telephone number, including area code
6. www.unionbankph.com/fup/
Company's official website
7. Not Applicable
Former name, former address, and former fiscal year, if changed since last report

FIRST UNION PLANS, INC.			
2022 ANNUAL CORPORATE GOVERNANCE REPORT			
COMPLIANT/NON-COMPLIANT		ADDITIONAL INFORMATION	EXPLANATION
The Board's Governance Responsibilities			
Principle 1: The company should be headed by a competent, working board to foster the long- term success and sustainability of the corporation in a manner consistent with its corporate objectives and the long-term best interests of its shareholders and other stakeholders.			
Recommendation 1.1			
1. Board is composed of directors with collective working knowledge, experience that is relevant to the company's industry/sector.	COMPLIANT	As required by IC, the biodata of all elected Board of Directors which discloses the age, qualifications and relevant experience are submitted to the Commission.	On April 24, 2017, the Insurance Commission (IC) granted the Company's decision to cease selling additional pre-need plans and henceforth act as a servicing pre-need company. FUPI is currently winding down its operations. On March 8, 2023, the IC approved the Company's application for voluntary cessation and withdrawal of pre-need business in the Philippines.FUPI is currently proceeding with its servicing plan as approved by the IC.
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 nonexecutive directors.	COMPLIANT	In the submission of FUPI's 2022 Annual Statement, only the President is involved in the day-to-day operations of the Company.	
Recommendation 1.3			
1. Company provides in its Board Charter or Manual on Corporate Governance a policy on training of directors	NON-COMPLIANT	FUPI has no Manual on Corporate Governance. However, FUPI directors are concurrent directors of other entities and they have attended necessary trainings.	FUPI has stopped selling pension plans since 2017 and is now a servicing pre-need company. The company is currently winding down its operations and there are only four (4) personnel.
2. Company provides in its Board Charter or Manual on Corporate Governance an orientation program for first time directors.	NON-COMPLIANT	FUPI has no Manual on Corporate Governance. Newly elected first time directors, if any, will be oriented of FUPI Operations.	FUPI is currently winding down its operations.
3. Company has relevant annual continuing training for all directors.	COMPLIANT	FUPI's Board is sharing the continuing education policies set-up by the Parent-Company (a Bank).	
Recommendation 1.4			
1. Board has a policy on board diversity .	NON-COMPLIANT	While FUPI does not have a policy on board diversity, its five-member board is composed of four men and one female director.	FUPI is currently winding down its operations.
Recommendation 1.5			
1. Board is assisted in its duties by a Corporate Secretary.	COMPLIANT	The Board is assisted by a Corporate Secretary, who is not the Compliance Officer and is not a member of the Board of Directors	
2. Corporate Secretary is a separate individual from the Compliance Officer.	COMPLIANT		
3. Corporate Secretary is not a member of the Board of Directors.	COMPLIANT		
4. Corporate Secretary attends training/s on corporate governance.	COMPLIANT		
Recommendation 1.6			
1. Board is assisted by a Compliance Officer.	COMPLIANT	FUPI has designated a Compliance Officer with a rank of Manager and is not a member of the Board of Directors. In addition, FUPI is winding down its operations and now has only four (4) personnel.	
2. Compliance Officer has a rank of Vice President or an equivalent position with adequate stature and authority in the corporation.	NON-COMPLIANT		
3. Compliance Officer is not a member of the board.	COMPLIANT		
4. Compliance Officer attends training/s on corporate governance annually	COMPLIANT	The Compliance Officer attended annual refresher courses on Compliance Function, AML (Anti-Money Laundering), CFT (Countering the Financing Terrorism) and CPF (Countering Proliferation Financing) given by UnionBank, BSP and the IC.	

COMPLIANT/NON-COMPLIANT		ADDITIONAL INFORMATION	EXPLANATION
The Board's Governance Responsibilities			
Principle 2: The fiduciary roles, responsibilities and accountabilities of the Board as provided under the law, the company's articles and by- laws, and other legal pronouncements and guidelines should be clearly made known to all directors as well as to stockholders and other stakeholders.			
Recommendation 2.1			
1. Directors act on a fully informed basis, in good faith, with due diligence and care, and in the best interest of the company.	COMPLIANT	Stated in FUPI's Amended By-Laws of 11 August 2017.	FUPI is currently winding down its operations.
Recommendation 2.2			
1. Board oversees the development, review and approval of the company's business objectives and strategy	COMPLIANT	Stated in FUPI's Amended By-Laws of 11 August 2017.	FUPI is currently winding down its operations.
2. Board oversees and monitor's 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 a competent and qualified Chairperson.	COMPLIANT	FUPI Board is headed by a competent and qualified Chairman as stated in the Biodata submitted to the IC.	
Recommendation 2.4			
1. Board ensures and adopts an effective succession planning program for directors, key officers and management.	COMPLIANT	FUPI follows the succession and election program for directors, key officers and management as stated in its Amended By-Laws of 17 August 2017.	
2. Board adopts a policy on the retirement for directors and key officers.	COMPLIANT		
Recommendation 2.5			
1. Board formulates and adopts a policy specifying the relationship between remuneration and performance of key officers and board members.	COMPLIANT	The policy on compensation of directors and officers are stated in the FUPI's Amended By-Laws of 11 August 2017.	
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		
Recommendation 2.6			
1. Board has a formal and transparent board nomination and election policy.	COMPLIANT	Stated in FUPI's Amended By-Laws of 11 August 2017.	
2. Board nomination and election policy is disclosed in the company's Manual on Corporate Governance.	COMPLIANT	Stated in FUPI's Amended By-Laws of 11 August 2017.	
3. Board nomination and election policy includes how the company accepts nominations from minority shareholders.	COMPLIANT	Stated in FUPI's Amended By-Laws of 11 August 2017.	
4. Board nomination and election policy includes how the board reviews nominated candidates.	COMPLIANT	Stated in FUPI's Amended By-Laws of 11 August 2017.	
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	Stated in FUPI's Amended By-Laws of 11 August 2017.	
6. Board has a process for identifying the quality of directors that is aligned with the strategic direction of the company	COMPLIANT	Stated in FUPI's Amended By-Laws of 11 August 2017.	
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.	NON-COMPLIANT	FUPI Board as a whole, performs the function of the Corporate Governance Committee.	FUPI is currently winding down its operations.
2. RPT policy includes appropriate review and approval of material RPTs, which guarantee fairness and transparency of the transactions	NON-COMPLIANT	FUPI is subject to compliance with Parent Company's RPT Policy.	
3. RPT policy encompasses all entities within the group, taking into account their size, structure, risk profile and complexity of operations.	NON-COMPLIANT		

COMPLIANT/NON-COMPLIANT		ADDITIONAL INFORMATION	EXPLANATION
The Board's Governance Responsibilities			
Recommendation 2.8			
1. Board is primarily responsible for approving the selection of Management led by the Chief Executive Officer (CEO) and the heads of the other control functions (Chief Risk Officer, Chief Compliance Officer and Chief Audit Executive).	COMPLIANT	Stated in FUPI's Amended By-Laws of 11 August 2017.	
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).	COMPLIANT	Stated in FUPI's Amended By-Laws of 11 August 2017.	
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	Stated in FUPI's Amended By-Laws of 11 August 2017.	
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	Stated in FUPI's Amended By-Laws of 11 August 2017.	
Recommendation 2.10			
1. Board oversees that an appropriate internal control system is in place.	COMPLIANT	Parent Bank performs the internal audit for FUPI and reports the results to the FUPI BOD for its oversight function on internal control system of the Company.	FUPI is currently winding down its operations.
2. The internal control system includes a mechanism for monitoring and managing potential conflict of interest of the Management, members and shareholders.	NON-COMPLIANT		FUPI is currently winding down its operations.
3. Board approves the Internal Audit Charter.	NON-COMPLIANT		FUPI is currently winding down its operations.
Recommendation 2.11			
1. Board oversees that the company has in place a sound enterprise risk management (ERM) framework to effectively identify, monitor, assess and manage key business risks.	NON-COMPLIANT	Moving forward, FUPI will perform risk control and self assessment (RCSA) and results will be reported to the Board for its proper disposition.	FUPI is currently winding down its operations.
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.	NON-COMPLIANT		FUPI is currently winding down its operations.
Recommendation 2.12			
1. Board has a Board Charter that formalizes and clearly states its roles, responsibilities and accountabilities in carrying out its fiduciary duties.	COMPLIANT	Stated in FUPI's Amended By-Laws of 11 August 2017.	
2. Board Charter serves as a guide to the directors in the performance of their functions.	COMPLIANT	Stated in FUPI's Amended By-Laws of 11 August 2017.	
3. Board Charter is publicly available and posted on the company's website.	NON-COMPLIANT	Moving forward, FUPI will update the contents of its website.	FUPI is currently winding down its operations.
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			
1. Board establishes board committees that focus on specific board functions to aid in the optimal performance of its roles and responsibilities.	NON-COMPLIANT	FUPI Board as a whole, performs the function of the Corporate Governance Committee.	FUPI is currently winding down its operations.

COMPLIANT/NON-COMPLIANT		ADDITIONAL INFORMATION	EXPLANATION
The Board's Governance Responsibilities			
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	The Board, as stated in its Amended By-Laws can create executive committees. However, as the company is already winding down its operations, the Board as a whole performs all functions of the executive committees. In addition, the Parent-Company performs the internal audit for FUPI, which has an Audit Committee of its own.	
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	Not applicable as FUPI has no Audit Committee.	FUPI is currently winding down its operations.
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	Not applicable as FUPI has no Audit Committee.	FUPI is currently winding down its operations.
4. The Chairman of the Audit Committee is not the Chairman of the Board or of any other committee.	NON-COMPLIANT	Not applicable as FUPI has no Audit Committee.	FUPI is currently winding down its operations.
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	FUPI Board as a whole, performs the function of the Corporate Governance Committee.	FUPI is currently winding down its operations.
2. Corporate Governance Committee is composed of at least three members, majority of whom should be independent directors.	NON-COMPLIANT	Not applicable as FUPI has no Corporate Governance Committee.	FUPI is currently winding down its operations.
3. Chairman of the Corporate Governance Committee is an independent director.	NON-COMPLIANT	Not applicable as FUPI has no Corporate Governance Committee.	FUPI is currently winding down its operations.
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	FUPI Board as a whole, performs the function of the Board Risk Oversight Committee.	FUPI is currently winding down its operations.
2. BROC is composed of at least three members, the majority of whom should be independent directors, including the Chairman.	NON-COMPLIANT	Not applicable as FUPI has no Board Risk Oversight Committee.	FUPI is currently winding down its operations.
3. The Chairman of the BROC is not the Chairman of the Board or of any other committee.	NON-COMPLIANT	Not applicable as FUPI has no Board Risk Oversight Committee.	FUPI is currently winding down its operations.
4. At least one member of the BROC has relevant thorough knowledge and experience on risk and risk management,	NON-COMPLIANT	Not applicable as FUPI has no Board Risk Oversight Committee.	FUPI is currently winding down its operations.
Recommendation 3.5			
1. The Board establishes a Related Party Transactions (RPT) Committee, which is tasked with reviewing all material related party transactions of the company,	NON-COMPLIANT	FUPI Board as a whole, performs the function of the Related Party Transaction Committee.	
2. RPT Committee is composed of at least three non-executive directors, majority of whom should be independent, including the Chairman	NON-COMPLIANT	Not applicable as FUPI has no Related Party Committee.	FUPI is currently winding down its operations.

COMPLIANT/NON-COMPLIANT		ADDITIONAL INFORMATION	EXPLANATION
The Board's Governance Responsibilities			
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	Not applicable as FUPI has no other established Committees	FUPI is currently winding down its operations.
2. Committee Charters provide standards for evaluating the performance of the Committees.	NON-COMPLIANT		FUPI is currently winding down its operations.
3. Committee Charters were fully disclosed on the company's website.	NON-COMPLIANT		FUPI is currently winding down its operations.
Principle 4: To show fullcommitment 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			
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	The Board attends its Annual Stockholders' Meeting during May of each year.	
2. The directors review meeting materials for all Board and Committee meetings.	COMPLIANT	Stated in FUPI's Amended By-Laws of 11 August 2017.	
3. The directors asks the necessary questions or seek clarifications and explanations during the Board and Committee meetings.	COMPLIANT	Stated in FUPI's Amended By-Laws of 11 August 2017.	
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	Stated in FUPI's Amended By-Laws of 11 August 2017.	
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	Stated in FUPI's Amended By-Laws of 11 August 2017.	
Principle 5: The board should endeavor to exercise objective and independent judgement on all corporate affairs			
Recommendation 5.1			
1. The Board is composed of at least twenty percent (20%) independent directors .	NON-COMPLIANT	FUPI's Independent Director retired September 30, 2021. We are still sourcing for the replacement. As FUPI is winding down its pre-need business, we are having difficulty in looking for a new Independent Director.	
Recommendation 5.2			
1. The independent directors posses all the necessary qualifications and none of the disqualification to hold the position	NON-COMPLIANT	FUPI's Independent Director retired September 30, 2021. We are still sourcing for the replacement.	

COMPLIANT/NON-COMPLIANT		ADDITIONAL INFORMATION	EXPLANATION
The Board's Governance Responsibilities			
Recommendation 5.3			
1. The independent directors serve for a maximum cumulative term of nine years. As far as Insurance Companies are concerned, the foregoing term limit shall be reckoned from 02 January 2015 while the reckoning date for the Pre-Need Companies and Health Maintenance Organizations shall be from 21 September 2016. For other covered entities, all previous terms served by existing Independent Directors prior to the effectivity of this Circular shall not be included in the application of the term limit prescribed in this item.	NON-COMPLIANT	FUPI's Independent Director retired September 30, 2021. We are still sourcing for the replacement.	
2. The company bars an independent director from serving in such capacity after the term limit of nine years	NON-COMPLIANT	FUPI's Independent Director retired September 30, 2021. We are still sourcing for the replacement.	
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.	NON-COMPLIANT	FUPI's Independent Director retired September 30, 2021. We are still sourcing for the replacement.	
Recommendation 5.4			
1. The positions of Chairman of the Board and Chief Executive Officer are held by separate individuals	COMPLIANT	The Chairman and President/Chief Executive Officer positions are held by separate individuals.	
2. The Chairman of the Board and Chief Executive Officer have clearly defined responsibilities.	COMPLIANT	The responsibilities of the Chairman of the Board and President/Chief Executive Officer are stated in FUPI's Amended By-Laws of 17 August 2017.	
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 and President/Chief Executive Officer positions are held by separate individuals.	
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	Stated in FUPI's Amended By-Laws of 11 August 2017.	
Recommendation 5.7			
1. The non-executive directors (NEDs) have separate periodic meetings with the external auditor and heads of the internal audit, compliance and risk functions, without any executive directors present to ensure that proper checks and balances are in place within the corporation.	NON-COMPLIANT	Not applicable as FUPI has no Audit, Corporate Governance and Risk Committees. However, the Parent-Company audits FUPI and the results are reported to the Board.	FUPI is currently winding down its operations.
2. The meetings are chaired by the lead independent director.	NON-COMPLIANT		FUPI is currently winding down its operations.
Principle 6: The best measure of the Board's effectiveness through an assessment process, The Board should regularly carry out evaluations to appraise its performance as a body, and assess process whether it possesses the right mix of backgrounds and competencies.			
Recommendation 6.1			
1. The Board conducts an annual assessment of its performance as a whole.	COMPLIANT	Stated in FUPI's Amended By-Laws of 11 August 2017.	
2. The performance of the Chairman is assessed annually by the Board	COMPLIANT	Stated in FUPI's Amended By-Laws of 11 August 2017.	

COMPLIANT/NON-COMPLIANT		ADDITIONAL INFORMATION	EXPLANATION
The Board's Governance Responsibilities			
3. The performance of the individual member of the Board is assessed annually by the Board,	COMPLIANT	Stated in FUPI's Amended By-Laws of 11 August 2017.	
4. The performance of each committee is assessed annually by the Board.	NON-COMPLIANT	Not applicable as FUPI has no other established Committees	FUPI is currently winding down its operations.
5. Every three years, the assessments are supported by an external facilitator.	NON-COMPLIANT		FUPI is currently winding down its operations.
Recommendation 6.1			
1. Board has in place system that provides, at the minimum, criteria and process to determine the performance of the Board, individual directors and committees.	COMPLIANT	FUPI has no other established Committees. However, the criteria on how to determine the performance of the Board are stated in FUPI's Amended By-Laws of 17 August 2017.	
2. The system allows for a feedback mechanism from the shareholders.	COMPLIANT	Stated in FUPI's Amended By-Laws of 17 August 2017.	
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, 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,	NON-COMPLIANT	FUPI Board Members are also directors of other Institutions (including parent-company) which are governed with their respective Code of Conduct.	FUPI is currently winding down its operations.
2. The Code is properly disseminated to the Board, senior management and employees.	NON-COMPLIANT		FUPI is currently winding down its operations.
3. The Code is disclosed and made available to the public through the company website.	NON-COMPLIANT		FUPI is currently winding down its operations.
Recommendation 7.2			
1. Board ensures the proper and efficient implementation and monitoring of compliance with the code of Business Conduct and Ethics.	NON-COMPLIANT	Not applicable as FUPI has no Code of Conduct. However, FUPI Board Members are also directors of other Institutions (including parent-company) which are governed with their respective Code of Conduct.	FUPI is currently winding down its operations.
2. Board ensures the proper and efficient implementation and monitoring of compliance with company internal policies.	NON-COMPLIANT		FUPI is currently winding down its operations.
Disclosure and Transparency			
Recommendation 8.1			
1. Board establishes corporate disclosure policies and procedures to ensure a comprehensive, accurate, reliable and timely report to shareholders and other stakeholders that gives a fair and complete picture of a company's financial condition, results and business operations.	COMPLIANT	A monthly report of FUPI's results of operations are submitted for the Parent-Company's monthly meetings.	
Recommendation 8.3			
1. Board fully discloses all relevant and material information on individual board members to evaluate their experience and qualifications, and assess any potential conflicts of interest that might affect their judgment.	COMPLIANT	Stated in FUPI's Amended By-Laws of 11 August 2017.	
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	Stated in FUPI's Amended By-Laws of 11 August 2017.	

COMPLIANT/NON-COMPLIANT		ADDITIONAL INFORMATION	EXPLANATION
The Board's Governance Responsibilities			
Recommendation 8.4			
1. Company provides a clear disclosure of its policies and procedure for setting Board remuneration, including the level and mix of the same in the Annual Corporate Governance Report consistent with ASEAN Corporate Governance Scorecard (ACGS) and the Revised Corporation Code.	COMPLIANT	Stated in FUPI's Amended By-Laws of 11 August 2017.	
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,	COMPLIANT	Stated in FUPI's Amended By-Laws of 11 August 2017.	
3. Company discloses the remuneration on an individual basis, including termination and retirement provisions.	COMPLIANT	Stated in FUPI's Amended By-Laws of 11 August 2017.	
Recommendation 8.5			
1. Company discloses its policies governing Related Party Transactions (RPTs) and other unusual or infrequently occurring transaction.	NON-COMPLIANT	Not applicable as FUPI has no Related Party Transactions. Material RPT, if any will be disclosed in the Annual Report to the Board.	FUPI is currently winding down its operations.
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	Not applicable as FUPI has no Related Party Transactions. Material RPT, if any will be disclosed in the Annual Report to the Board.	FUPI is currently winding down its operations.
Recommendation 8.7			
1. Company's corporate governance policies, programs and procedures are contained in its Manual on Corporate Governance (MCG).	NON-COMPLIANT	Not applicable as FUPI has no Manual on Corporate Governance. Any policies programs and procedures are discussed during the Board Meetings or being cascaded from the President to the employees.	FUPI is currently winding down its operations.
2. Company's MCG is posted on its company website .	NON-COMPLIANT		FUPI is currently winding down its operations.
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			
1. Audit Committee has a robust process for approving and recommending the appointment, reappointment, removal, and fees of the external auditors,	NON-COMPLIANT	Not applicable as FUPI has no Audit Committee. However, the approval, recommendation of appointment, reappointment, removal and fees of the external auditors are discussed during the Annual Stockholders' Meeting.	FUPI is currently winding down its operations.
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		FUPI is currently winding down its operations.
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		FUPI is currently winding down its operations.
Recommendation 9.2			
1. Audit Committee Charter includes the Audit Committee's responsibility on : i. assessing the integrity and independence of external auditors; ii. exercising effective oversight to review and monitor the external auditor's independence and 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.	NON-COMPLIANT	Not applicable as FUPI has no Audit Committee. However, the assessment, independence, effectiveness of oversight and the monitoring of the external auditors' suitability are discussed during the Annual Stockholders' Meeting.	FUPI is currently winding down its operations.
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		FUPI is currently winding down its operations.

COMPLIANT/NON-COMPLIANT		ADDITIONAL INFORMATION	EXPLANATION
The Board's Governance Responsibilities			
Recommendation 9.3			
1. Company discloses the nature of non-audit services performed by its external auditor in the Annual Report to deal with the potential conflict of interest	COMPLIANT	There have been no non-audit services performed by FUPI's external auditor in the past years.	
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	There have been no non-audit services performed by FUPI's external auditor in the past years.	
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.	NON-COMPLIANT		FUPI is currently winding down its operations and there are no material and reportable non-financial and sustainability issues.
2. Company adopts a globally recognized standard/framework in reporting sustainability and non-financial issues.	NON-COMPLIANT		FUPI is currently winding down its operations and there are no material and reportable non-financial and sustainability issues.
Principle 11: The company should maintain a comprehensive and cost- efficient communication channel for disseminating relevant information. This channel is crucial 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	The company's website is: http://www.unionbankph.com/fup/	
Internal Control System and Risk Management Framework			
Principle 12: To ensure the integrity, transparency and proper governance in the conduct of its affairs, the company should have a strong and effective internal control system and enterprise risk management framework.			
Recommendation 12.1			
1. Company has an adequate and effective internal control system in the conduct of its business.	COMPLIANT	Stated in the Procedural Guidelines Manual.	
2. Company has an adequate and effective enterprise risk management framework in the conduct of its business.	NON-COMPLIANT	Due to limited manpower and winding down of operations, FUPI has no enterprise risk management framework in conducting its business. Its Parent-Company however has its own ERM Framework wherein FUPI is included.	FUPI is currently winding down its operations.
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	FUPI is being audited by the Parent-Company's Internal Audit Division.	
Recommendation 12.3			
1. 1. The company has a qualified Chief Audit Executive (CAE) appointed by the board.	NON-COMPLIANT	FUPI is being audited by the Parent-Company's Internal Audit Division due to limited manpower.	FUPI is currently winding down its operations.
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		
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		

COMPLIANT/NON-COMPLIANT		ADDITIONAL INFORMATION	EXPLANATION
The Board's Governance Responsibilities			
Recommendation 12.4			
1. The company has a separate risk management function to identify, assess and monitor key risk exposures	NON-COMPLIANT	Given the limited manpower and winding down of operations, the risk management function is being monitored by the Company's Operations Head/Compliance Officer.	FUPI is currently winding down its operations.
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).	NON-COMPLIANT	Not applicable as FUPI has not existing Risk Management System, risk management functions are monitored by the Company's Operations Head/Compliance Officer due to limited manpower.	FUPI is currently winding down its operations.
2. CRO has adequate authority, stature, resources and support to fulfill his/her responsibilities.	NON-COMPLIANT		FUPI is currently winding down its operations.
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	FUPI has no Manual on Corporate Governance as it is currently winding down its operations.	FUPI is currently winding down its operations.
2. Board ensures that basic shareholder rights are disclosed on the company's website.	NON-COMPLIANT	The basic rights of the shareholders are stated in the Amended By-Laws of August 11, 2017.	FUPI is currently winding down its operations.
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	Stated in FUPI's Amended By-Laws of 11 August 2017.	FUPI is currently winding down its operations.
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	Stated in FUPI's Amended By-Laws of 11 August 2017.	FUPI is currently winding down its operations.
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	The Minutes of the Annual and Special Shareholder's Meetings are sent to the Board.	FUPI is currently winding down its operations.
Recommendation 13.4			
1. Board has an alternative dispute mechanism to resolve intra-corporate disputes in an amicable and effective manner.	COMPLIANT	Stated in FUPI's Amended By-Laws of 11 August 2017.	FUPI is currently winding down its operations.
2. The alternative dispute mechanism is included in the company's manual on Corporate Governance.	NON-COMPLIANT	FUPI has no Manual on Corporate Governance. However, the voting of rights are stated in FUPI's Amended By-Laws of 11 August 2017.	FUPI is currently winding down its operations.
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			
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	Stated in FUPI's Amended By-Laws of 11 August 2017.	
Recommendation 14.2			
1. Board establishes clear policies and programs to prove a mechanism on the fair treatment and protection of stakeholders.	COMPLIANT	Stated in FUPI's Amended By-Laws of 11 August 2017.	
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	Stated in FUPI's Amended By-Laws of 11 August 2017.	

COMPLIANT/NON-COMPLIANT		ADDITIONAL INFORMATION	EXPLANATION
The Board's Governance Responsibilities			
Principle 15: A mechanism for employee participation should be developed to create a symbiotic environment, realize the companys 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	Stated in the Company's Procedural Guidelines Manual	FUPI is currently winding down its operations.
Recommendation 15.2			
1. Board sets the tone and makes a stand against corrupt practices by adopting an anti-corruption policy and program in its Code of Conduct.	COMPLIANT	Stated in FUPI's Amended By-Laws of 11 August 2017.	
2. Board disseminates the policy and program to employees across the organization through trainings to embed them in the company's culture.	COMPLIANT	Stated in the Company's Procedural Guidelines Manual.	
Recommendation 15.3			
1. Board establishes a suitable framework for whistleblowing that allows employees to freely communicate their concerns about illegal or unethical practices, without fear of retaliation.	NON-COMPLIANT	Due to the Company's winding down its operations and lack of manpower, no framework for whistleblowing is established. However, employees are encouraged to discuss any practices that they deem inappropriate.	FUPI is currently winding down its operations.
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,	NON-COMPLIANT		FUPI is currently winding down its operations.
3. Board supervises and ensures the enforcement of the whistleblowing framework	NON-COMPLIANT		FUPI is currently winding down its operations.
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	FUPI regularly participates with its Parent-Company's community and environment-related programs and activities.	

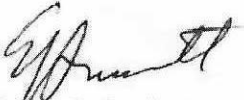
NOTE:


On March 8, 2023, the IC approved the Company's application for voluntary cessation and withdrawal of pre-need business in the Philippines. FUPI is currently proceeding with its servicing plan as approved by the IC.

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 Pasig on the **MAY 16 2023** of _____ 2023.


Edwin R. Bautista
Chairman of the Board


Romeo C. Kagalingan
President/CEO


Atty. Buenaventura S. Sanguyo Jr.
Corporate Secretary


Marie Antoniette C. Patana
Compliance Officer


MAY 16 2023

Pasig City

SUBSCRIBED AND SWORN to before me this _____ day of _____, 2023, 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.
1. Edwin R. Bautista	TIN NO. 107-044-613
2. Romeo C. Kagalingan	TIN NO. 126-813-132
3. Buenaventura S. Sanguyo Jr.	SSS NO. 33-2905349-2
4. Marie Antoniette C. Patana	TIN NO. 127-540-638

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ATTY. JOSELITO B. CONSTANTINO
NOTARY PUBLIC
Cities of Pasig, San Juan and in the Municipality
of Pateros, Metro Manila
PTR No. 0139418 / 01-03-2023
IBP No. 259629 / 12-19-2022
MCLE No. VII-0019927 valid until April 14, 2025
S. C. Roll No. 31102 / 05-04-1981
TIN No. 232-590-023-000
G/F Pasig City Hall Brgy. San Nicolas Pasig City
Appointment No. 132 (2023-2024)
Contact No. 09273112426 / 09499240131