

COMPANY NAME: THE PHILIPPINE AMERICAN LIFE AND GENERAL INSURANCE (PHILAM LIFE) COMPANY
COMPANY STRUCTURE : CLASS 2
FINANCIAL YEAR END : 2017
SECTOR : INSURANCE

B. Equitable Treatment of Shareholders

B.1	Shares and voting rights	Y/N	Reference/Source document
B.1.1	Do the company's ordinary or common shares have one vote for one share?	Y	<p>Default Item as per Insurance Commission Guidelines on Compliance with ACGS (Circular Letter No. 2015-13). Per Section 5 of the Company By-Laws, stockholders with voting privilege shall be entitled to one (1) vote for each share of stock standing in his name on the books of the Company.</p> <p>Source Document: By-Laws, Article II, Section 5. Voting, page 2</p>
B.1.2	Where the company has more than one class of shares, does the company publicise the voting rights attached to each class of shares (e.g. through the company website / reports/ the stock exchange/ the regulator's website)?	Y	<p>Default Item as per Insurance Commission Guidelines on Compliance with ACGS (Circular Letter No. 2015-13). The Company only has one class of share (common share).</p> <p>Source Document: Articles of Incorporation, Item No. 7, page 6</p>
B.2	Notice of AGM		
B.2.1	Does each resolution in the most recent AGM deal with only one item, i.e., there is no bundling of several items into the same resolution?	Y	<p>As shown in the Notice and Minutes of Annual Stockholders' Meeting, each item for approval of the shareholders is scheduled separately. There is no bundling of several items into the same resolution.</p> <p>Source Document:</p> <ul style="list-style-type: none"> ▪ Notice Agenda of the 2017 Annual Stockholders' Meeting dated 29 March 2017 ▪ Minutes of the Annual Stockholders' Meeting dated 26 April 2017 ▪ Notice Agenda of the 2018 Annual Stockholders' Meeting dated 19 March 2018 ▪ Minutes of the Annual Stockholders' Meeting dated 24 April 2018
B.2.2	Are the company's notice of the most recent AGM/circulars fully translated into English and published on the same date as the local-language version?	Y	<p>The Notice of the Annual Stockholders' Meeting was written in English, which is the language used locally by Philam Life, and published on the same date.</p> <p>Source Document:</p> <ul style="list-style-type: none"> ▪ Notice Agenda of the 2017 Annual Stockholders' Meeting dated 29 March 2017 ▪ Notice Agenda of the 2018 Annual Stockholders' Meeting dated 19 March 2018

	<i>Does the notice of AGM/circulars have the following details:</i>		
B.2.3	Are the profiles of directors/commissioners (at least age, academic qualification, date of first appointment, experience, and directorships in other listed companies) in seeking election/re-election included?	Y	The Notice and the Shareholder Package Materials, which include among others the Annual Performance Report, contain the profiles of the directors seeking for re-election. Source Documents: <ul style="list-style-type: none"> ▪ Notice Agenda of the 2018 Annual Stockholders' Meeting dated 19 March 2018 ▪ 2017 Annual Report, pages 39 to 42, Board of Directors' Profile
B.2.4	Are the auditors seeking appointment/re-appointment clearly identified?	Y	The auditors seeking appointment/re-appointment for the year, Isla Lipana & Co, were clearly identified in the Notice of Annual Stockholders' Meeting. Source Document: Notice Agenda of the 2018 Annual Stockholders' Meeting dated 19 March 2018
B.2.5	Has an explanation of the dividend policy been provided?	Y	Not Applicable Item as per Insurance Commission Guidelines on Compliance with ACGS (Circular Letter No. 2015-13). The Notice of Annual Stockholders' Meeting includes the Annual Report which contains the Dividend Policy of the Company. Source Documents: <ul style="list-style-type: none"> ▪ Notice Agenda of the 2018 Annual Stockholders' Meeting dated 19 March 2018 ▪ 2017 Annual Report, pages 36 - DIVIDEND POLICY
B.2.6	Is the amount payable for final dividends disclosed?	N/A	Not Applicable Item as per Insurance Commission Guidelines on Compliance with ACGS (Circular Letter No. 2015-13). The Notice did not declare the amount payable for dividends as the Company did not declare any dividends for 2017.
B.2.7	Were the proxy documents made easily available?	Y	Proxy Forms are attached and included to the Notice of Annual Meeting given in advance to the shareholders. Source Document: Notice Agenda of the 2018 Annual Stockholders' Meeting dated 19 March 2018
B.3	Insider trading and abusive self-dealing should be prohibited		
B.3.1	Does the company have policies and/or rules prohibiting directors/commissioners and employees to benefit from knowledge which is not generally available to the market?	Y	Default Item as per Insurance Commission Guidelines on Compliance with ACGS (Circular Letter No. 2015-13). Under the Prevention of Insider Trading and Market Misconduct Policy, no Director, employee or officer of AIA Group Entities may engage in any transaction involving the sale or purchase of any of the securities of AIA or of another company, directly

			<p>or indirectly through any third parties, if they are in possession of any material, non-public information about that company.</p> <p>In addition, under the Personal Dealing policy, Directors, employees or officers who oversee investment portfolios and governance of the company's investing activities or who have responsibilities for investment-related activities are subject to controls regarding their personal investing activities.</p> <p>Source Document: 2017 Annual Report, pages 46 to 47 – OPERATING PHILOSOPHY, Insider Trading and Price Sensitive Information</p>
B.3.2	Are the directors / commissioners required to report their dealings in company shares within 3 business days?	N/A	<p>Default Item as per Insurance Commission Guidelines on Compliance with ACGS (Circular Letter No. 2015-13).</p> <p>Philam Life's Insider Trading and Market Misconduct Policy is actually stricter than the 3-day reporting requirements as it requires that dealings in AIA securities by certain employees, officers, directors, and their related interests, require pre-approval from the Group Company Secretary.</p> <p>Source Document: 2017 Annual Report, pages 46 to 47 – OPERATING PHILOSOPHY, Insider Trading and Price Sensitive Information</p>
B.4	Related party transactions by directors and key executives.		
B.4.1	Does the company have a policy requiring directors /commissioners to disclose their interest in transactions and any other conflicts of interest?	Y	<p>Default Item as per Insurance Commission Guidelines on Compliance with ACGS (Circular Letter No. 2015-13).</p> <p>As provided in the Philam Life's Manual of Corporate Governance, overlapping interest and transactions should be disclosed to the Board of Directors; related party transactions should require prior disclosure to and approval of the Board of Directors. All directors and key officers who are members of the board of directors are required to execute an annual confirmation regarding connected transactions. Directors are covered by the Code of Conduct/Related Party Transactions Policy</p> <p>Source Documents:</p> <ul style="list-style-type: none"> ▪ Manual of Corporate Governance, page 13 ▪ Related Party Transactions Policy ▪ Audit and RPT Committee Charter

B.4.2	Does the company have a policy requiring a committee of independent directors/commissioners to review material/significant RPTs to determine whether they are in the best interests of the company and shareholders?	Y	<p>In compliance with the Insurance Commission Circular No. 2017-29 on Related Party Transactions, the Board of Directors of the Company has approved the Related Party Transactions Policy, which requires all related party transactions, if below the set materiality thresholds under the Policy, to be reviewed and approved by the Regulatory and Compliance Committee, and by the Audit and RPT Committee, if above the materiality threshold. Under the Audit and RPT Committee Charter, the Committee shall be composed of three (3) members of the Board, all of whom must be independent directors.</p> <p>Source Documents:</p> <ul style="list-style-type: none"> ▪ Manual of Corporate Governance, page 13 ▪ Related Party Transactions Policy ▪ Audit and RPT Committee Charter ▪ 2017 Annual Report, Audit and RPT Committee Composition, page 38
B.4.3	Does the company have a policy requiring board members (directors/commissioners) to abstain from participating in the board discussion on a particular agenda when they are conflicted?	Y	<p>Default Item as per Insurance Commission Guidelines on Compliance with ACGS (Circular Letter No. 2015-13). Philam Life's Manual of Corporate Governance spells out the duties and responsibilities of its directors, which includes conducting fair business transaction with the Company to ensure that personal interest does not bias Board decisions. As good corporate governance policy of the Company, the directors are required to abstain or inhibit themselves in the board discussion and decision pertaining to their own personal interest.</p> <p>The RPT Policy provides that any member of the Committee who has an interest in the transaction must abstain from the deliberation and approval of such transaction.</p> <p>Source Documents:</p> <ul style="list-style-type: none"> ▪ Manual of Corporate Governance, page 8 ▪ Related Party Transactions Policy ▪ Audit and RPT Committee Charter
B.4.4	Does the company have policies on loans to directors and commissioners either forbidding this practice or ensuring that they are being conducted at arm's length basis and at market rates?	Y	<p>Default Item as per Insurance Commission Guidelines on Compliance with ACGS (Circular Letter No. 2015-13). The Manual of Corporate Governance of the Company spells out the duties and responsibilities of its directors, which includes conducting fair business transaction with the Company to ensure that personal interest does not bias Board decisions.</p> <p>The RPT Policy provides related party transactions are generally allowed provided that these are done on an arms-length basis.</p>

			<p>Source Document:</p> <ul style="list-style-type: none"> ▪ Manual of Corporate Governance, page 8 ▪ Related Party Transactions Policy ▪ Audit and RPT Committee Charter
B.5	Protecting minority shareholders from abusive actions		
B.5.1	Were there any RPTs that can be classified as financial assistance to entities other than wholly-owned subsidiary companies?	N	<p>Philam Life has no RPTs that can be classified as financial assistance to entities other than wholly-owned subsidiary companies.</p> <p>Source Document: 2017 Annual Report, pages 58 to 63 – RELATED PARTY TRANSACTIONS</p>
B.5.2	Does the company disclose that RPTs are conducted in such a way to ensure that they are fair and at arms' length?	Y	<p>Philam Life ensures that RPTs are conducted in such a way to ensure that they are fair and at arms' length. Philam Life discloses such facts in its Annual Performance Report and the Audited Financial Statements.</p> <p>Source Document: 2017 Annual Report, pages 58 to 63 – RELATED PARTY TRANSACTIONS</p>