

COMPANY NAME : THE PHILIPPINE AMERICAN LIFE AND GENERAL INSURANCE (PHILAM LIFE) COMPANY
 COMPANY STRUCTURE : CLASS 2
 FINANCIAL YEAR END : 2019
 SECTOR : INSURANCE

A.	Rights of shareholders		Y/N	Reference/Source document
A.1	Right to participate effectively in and vote in general shareholders meeting and should be informed of the rules, including voting procedures that govern general shareholders meeting.			
A.1.1(B)	Does the company allow the use of secure electronic voting in absentia at the general meetings of shareholders?	OECD Principle II (C) (4) Shareholders should be able to vote in person or in absentia, and equal effect should be given to votes whether cast in person or in absentia.	N/A	Not applicable item as per Insurance Commission Guidelines on Compliance with ACGS (Circular Letter No. 2015-23) dated 8 May 2015.
B.	Equitable treatment of shareholders			
B.1	Notice of AGM			
B.1.1(B)	Does the company release its notice of AGM (with detailed agendas and explanatory circulars), as announced to the Exchange, at least 28 days before the date of the meeting?	OECD Principle II (C) (1) Shareholders should be furnished with sufficient and timely information concerning the date, location and agenda of general meetings, as well as full and timely information regarding the issues to be decided at the meeting. (3) Effective shareholder participation in key corporate governance decisions, such as the nomination and election of board members, should be facilitated. OECD Principle III (A) ICGN 8.3.2 Shareholder participation in governance Shareholders should have the right to participate in key corporate governance decisions, such as the right to nominate, appoint and remove directors on an individual basis and also the right to appoint external auditors. ICGN 8.4.1 Shareholder ownership rights The exercise of ownership rights by all shareholders should be facilitated, including giving shareholders timely and adequate notice of all matters proposed for shareholder vote. CLSA-ACGA (2010) CG Watch 2010 - Appendix 2. (I) CG rules and practices (25) Do company release their AGM notices (with	Y	Not applicable item as per Insurance Commission Guidelines on Compliance with ACGS (Circular Letter No. 2015-23) dated 8 May 2015.

		detailed agendas and explanatory circulars) at least 28 days before the date of the meeting?		
C.	Roles of Stakeholders			
C.1	The rights of stakeholders that are established by law or through mutual agreements are to be respected			
C.1.1(B)	Does the company practice integrated report on its annual reports?	<p>International <IR> Framework - DRAFT, IIRC Council Item 3b Meeting of 5 December 2013</p> <p>“Integrated Reporting <IR> promotes a more cohesive and efficient approach to corporate reporting and aims to improve the quality of information available to providers of financial capital to enable a more efficient and productive allocation of capital. The IIRC’s vision is a world in which integrated thinking is embedded within mainstream business practice in the public and private sectors, facilitated by <IR> as the corporate reporting norm.”</p>	Y	<p>The Company’s Annual Report is a comprehensive and concise communication about the Company’s strategies, governance, and financial performance for 2019. It contains comprehensive business updates relating to the agency, marketing, operations, technology, and employees. It also contains the Operating Philosophy, Best Corporate Governance and Corporate Social Responsibility practice of the Company.</p> <p>Source Document: 2019 Annual Report</p>
D.	Disclosure and transparency			
D.1	Quality of Annual Report			
D.1.1 (B)	Are the audited annual financial report /statement released within 60 days from the financial year end?	<p>OECD Principle V (C) OECD Principle V (E) ICGN 7.2 Timely disclosure ICGN 7.3 Affirmation of financial statements The board of directors and the corporate officers of the company should affirm at least annually the accuracy of the company's financial statements or financial accounts.</p>	N	<p>The Company's Audited Financial Report was released within 120 days from the financial year end in compliance with SEC requirements. The Audited Financial Statements of Philam Life was approved by the Stockholders on 10 April 2019, and submitted/released to the Securities and Exchange Commission and the Bureau of Internal Revenue on 30 April 2019.</p>
D.1.2 (B)	Does the company disclose details of remuneration of the CEO?		Y	<p>Please see Annual Report on Remuneration Details of Executive Director and CEO.</p> <p>Source Document: 2019 Annual Report, page 34, REMUNERATION POLICY FOR EXECUTIVE DIRECTOR AND CEO</p>
E.	Responsibilities of the Board			
E.1	Board Competencies and Diversity			
E.1.1(B)	Does the company have at least one female independent director/commissioner?	<p>ICGN 2.4.1 Skills and experience The board should consist of directors with the requisite range of skills, competence, knowledge, experience and approach, as well as a diversity of perspectives, to set the context for appropriate board behaviours and to enable it</p>	Y	<p>For 2019, the Board has one female member, Ms. Doris Magsaysay Ho, who is the President and CEO of A. Magsaysay Inc.</p> <p>Source Document: 2019 Annual Report, page 38 – Profile of Ms. Doris Magsaysay Ho</p>

		to discharge its duties and responsibilities effectively.		
E.2	Nominating Committee			
E.2.1(B)	Does the Nominating Committee comprise entirely of independent directors/commissioners?	ICGN 2.4.4 Composition of board committees The members of these key board committees should be solely non-executive directors, and in the case of the audit and remuneration committees, solely independent directors. All members of the nominations committee should be independent from management and at least a majority should be independent from dominant owners.	N	Under its Charter and the Manual of Corporate Governance, the Governance, Nomination and Compensation Committee shall consist of at least three (3) members of the Board of Directors, one of whom must be independent. Source Documents: <ul style="list-style-type: none"> ▪ Governance, Nomination and Compensation Committee Charter ▪ 2019 Annual Report, page 34 – Governance, Nomination and Compensation Committee Composition
E.2.2(B)	Does the Nominating Committee undertake the process of identifying the quality of directors aligned with the company's strategic directions?		Y	As provided in the Governance, Nomination and Compensation Committee, the Committee shall determine the nomination and election process, criteria and qualifications of the members of the Board and other appointments that require Board approval. The Committee shall consider the competencies, skills, and experience that the Board, as a whole, should possess, and the knowledge, competencies, skills and experience of each current director, based on the Company's business objectives and strategies. It shall review with the Board, as necessary and appropriate, the requisite skills and criteria for Board members, as well as the composition and size of the Board as a whole in order to ensure that the Board has the requisite expertise, that its membership consists of persons with sufficiently diverse and independent backgrounds and possesses a record of integrity and good repute, and that its membership consists of an appropriate mix of inside, outside, and independent directors. Source Document: Governance, Nomination and Compensation Committee Charter
E.3	Board Appointments and Re-Election			
E.3.1(B)	Does the company use professional search firms or other external sources of candidates (such as director databases set up by director or shareholder bodies) when searching for candidates to the board of directors/commissioners?	WORLD BANK PRINCIPLE 6 (VI.I.21) Are boards known to hire professional search firms when proposing candidates to the board?	Y	The Board ensures that plans are in place for orderly succession to the Board and senior management to maintain a balance of appropriate skills and experiences within the Company. The Company's Corporate Governance Manual prescribes a formal, rigorous and transparent procedures for the selection and appointment of directors of the Board. Appointments to Philam Life Board of Directors are made on merits and subject to objective criteria as set forth in the Manual. Careful deliberation and consideration is done to ensure that nominees are qualified

				<p>to sit in the Board. The Company, through its major shareholder, considers the knowledge, competencies, skills, and experience that the nominee-director, seriously taking into account the Company's business objectives and strategies. The Company ensures that its Board membership consists of persons with sufficiently diverse and independent backgrounds and possesses a record of integrity and good repute, and that its membership consists of an appropriate mix of inside, outside, and independent directors. Part of the selection process of the Company is the use of independent/third party professional search firms to identify and source qualified directors and senior executives.</p> <p>Source Document: 2019 Annual Report, Page 31- BOARD AND SENIOR MANAGEMENT SUCCESSION AND SELECTION PROCESS</p>
E.4	Board Structure & Composition			
E.4.1(B)	Do independent non-executive directors/commissioners make up more than 50% of the board of directors/commissioners?		N	<p>The Philam Life Board of Directors has eight (8) members, composed of four (4) independent directors, three (3) non-executive directors, and one (1) executive directors. The independent directors are as follows: 1) Mr. Joaquin E. Quintos IV; 2) Mr. Antonino T. Aquino; 3) Ms. Doris Magsaysay-Ho; and Mr. Francis G. Estrada. Thus, 50% of the Board of Directors of Philam Life are independent directors.</p> <p>Source Document: 2019 Annual Report, pages 35 to 39 - Board of Directors Profile</p>
E.5	Board Performance			
E.5.1(B)	Does the company have a separate level Risk Committee?	<p>International Financial Corporation's Global Corporate Governance Forum Publication: When Do Companies Need a Board-level Risk Management Committee? (Volume 31, pp.11, March 2013)</p> <p>Benefits of a Board Level Risk Committee:</p> <ol style="list-style-type: none"> 1. elevate risk oversight to the highest level in the company; 2. strengthen the quality of risk management; 3. inculcate a risk culture and risk-management environment to mitigate and manage risks effectively across the organization; 4. establish a platform for continuous assessment of risks in light of the changing 	Y	<p>The Board has established a separate Board Risk Committee (BRC) who is responsible for reviewing the Company's material controls and risk management systems, and for oversight of the Company's risk management activities. The BRC approves the risk appetite and risk management policies thereby providing clear guidance to management for business execution. The Group Risk Management Committee assures that the risk appetite and risk management policies are effectively cascaded and implemented across the business.</p> <p>Source Document: 2019 Annual Report, pages 43 to 45 – ENTERPRISE RISK MANAGEMENT</p>

		internal and external environments; 5. improve communication among the board, management, and other stakeholders about risk management; and 6. demonstrate to internal and external stakeholders the company's commitment to risk management		
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