

**COMPANY NAME** : **BPI-PHILAM LIFE ASSURANCE (BPLAC) CORPORATION**  
**COMPANY STRUCTURE** : **CLASS 3**  
**FINANCIAL YEAR END** : **2016**  
**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 Article III, Section 7 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><b>Source Document:</b>  <a href="#">By-Laws, Article III, Section 7. Voting, page 3</a></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><b>Source Document:</b>  <a href="#">Articles of Incorporation, Item No. 7, page 4</a></p>
B.2	<b>Notice of AGM</b>		
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><b>Source Document:</b></p> <ul style="list-style-type: none"> <li>▪ <a href="#">Notice Agenda of the 2016 Annual Stockholders' Meeting dated 09 March 2016</a></li> <li>▪ <a href="#">Notice Agenda of the 2017 Annual Stockholders' Meeting dated 28 March 2017</a></li> </ul>
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><b>Source Document:</b></p> <ul style="list-style-type: none"> <li>▪ <a href="#">Notice Agenda of the 2016 Annual Stockholders' Meeting dated 09 March 2016</a></li> <li>▪ <a href="#">Notice Agenda of the 2017 Annual Stockholders' Meeting dated 20 March 2017</a></li> </ul>

	<b>Does the notice of AGM/circulars have the following details:</b>		
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.  <b>Source Documents:</b> <ul style="list-style-type: none"> <li>▪ <a href="#">Notice Agenda of the 2017 Annual Stockholders' Meeting dated 20 March 2017</a></li> <li>▪ <a href="#">2016 Annual Report, pages 23 to 28, Board of Directors' Profile</a></li> </ul>
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.  <b>Source Document:</b> <a href="#">Notice Agenda of the 2017 Annual Stockholders' Meeting dated 20 March 2017</a>
B.2.5	Has an explanation of the dividend policy been provided?	Y	The Notice of Annual Stockholders' Meeting includes the Annual Report which contains the Dividend Policy of the Company.  <b>Source Documents:</b> <ul style="list-style-type: none"> <li>▪ <a href="#">Notice Agenda of the 2017 Annual Stockholders' Meeting dated 20 March 2017</a></li> <li>▪ <a href="#">2016 Annual Report, pages 32 - DIVIDEND POLICY</a></li> </ul>
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 2016.
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.  <b>Source Document:</b> <a href="#">Notice Agenda of the 2017 Annual Stockholders' Meeting dated 20 March 2017</a>
B.3	<b>Insider trading and abusive self-dealing should be prohibited</b>		
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).Philam Life adheres to the AIA group Prevention of Insider Trading and Market Misconduct Policy, which aims to build a robust system to prevent market misconduct including insider trading. It set sets out standards and controls to ensure compliance with the regulatory requirements. Lastly, the existence of this policy should prevent employees and directors from engaging in speculative trading in AIA Group Securities. The Policy applies to all employees and directors of AIA Group

			<p>Limited and each of its subsidiaries, including Philam Life. Under the policy, it is illegal to trade securities while in possession of a material, non-public information and pass a material, non-public information to anyone who may trade securities based on it or give others recommendations to buy or sell securities.</p> <p><b>Source Document:</b>  <a href="#">2016 Annual Report, page 41 – Prevention of Insider Trading and Price Sensitive Information</a></p>
B.3.2	Are the directors / commissioners required to report their dealings in company shares within 3 business days?	Y	<p>BPI-Philam'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><b>Source Document:</b>  <a href="#">2016 Annual Report, page 41 – Prevention of Insider Trading and Price Sensitive Information</a></p>
B.4	<b>Related party transactions by directors and key executives.</b>		
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 BPI-Philam'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.</p> <p><b>Source Document:</b>  <a href="#">Manual of Corporate Governance, page 13</a></p>
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>Under the Manual of Corporate Governance of the Company, overlapping interest including any material transaction appertaining thereto shall be disclosed to the Board. Related party transactions shall be disclosed fully to the Board, and prior Board approval, composed of four (4) independent directors, must be obtained for RPTs that are material in nature. All directors and key officers who are members of the board of directors are required to execute an annual confirmation regarding connected transactions.</p> <p><b>Source Document:</b></p>

			<a href="#">Manual of Corporate Governance, page 13</a>
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><b>Source Document:</b> <a href="#">Manual of Corporate Governance, page 8</a></p>
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><b>Source Document:</b> <a href="#">Manual of Corporate Governance, page 8</a></p>
B.5	<b>Protecting minority shareholders from abusive actions</b>		
B.5.1	Were there any RPTs that can be classified as financial assistance to entities other than wholly-owned subsidiary companies?	N	<p>BPI-Philam has no RPTs that can be classified as financial assistance to entities other than wholly-owned subsidiary companies.</p> <p><b>Source Document:</b> <a href="#">2016 Annual Report, pages 54 to 58 – RELATED PARTY TRANSACTIONS</a></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>BPI-Philam 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><b>Source Document:</b> <a href="#">2016 Annual Report, pages 54 to 58 – RELATED PARTY TRANSACTIONS</a></p>