

COMPANY NAME : **BPI-PHILAM LIFE ASSURANCE (BPLAC) CORPORATION**
COMPANY STRUCTURE : **CLASS 3**
FINANCIAL YEAR END : **2016**
SECTOR : **INSURANCE**

E. Responsibilities of the Board

E.1	Board Duties and Responsibilities	Y/N	Reference/Source document
	<i>Clearly defined board responsibilities and corporate governance policy</i>		
E.1.1	Does the company disclose its corporate governance policy / board charter?	Y	<p>BPI-Philam Life confirms its full compliance with the Securities and Exchange Commission's and the Insurance Commission's Code of Corporate Governance. Philam Life's commitment to the highest standards of corporate governance is rooted in the belief that culture of integrity and transparency is essential to the consistent achievement of its common goals. Creating a sustainable culture, where trust and accountability are vital as skill and wisdom, steers us towards achieving long-term value for the shareholders, clients and all other stakeholders, and strengthens our confidence in the institution.</p> <p>Recognizing its responsibility to provide effective corporate governance oversight of its affairs, the BPI-Philam Board has adopted corporate governance policies and guidelines to assist the Board in the discharge of its duties and responsibilities. The policies and guidelines are contained in the Company's Manual of Corporate Governance, and is made available on the Company's website. Some of the policies are likewise disclosed in the 2016 Annual Report.</p> <p>Source Document: Manual of Corporate Governance</p>
E.1.2	Are the types of decisions requiring board of directors/commissioners' approval disclosed?	Y	<p>All matters requiring approval of the Board, in addition to those specifically provided for by the Corporation Code of the Philippines, are clearly set forth in the Company's By-Laws and the Manual of Corporate Governance. Among those matters submitted to the Board for its approval on an annual/regular basis are the President's Annual Report, the Audited Financial Statements, the Annual Budget, Policyholder Dividends (if appropriate), cash dividends (if any), investments policies and standards, related party transactions, etc.</p> <p>Source Documents:</p> <ul style="list-style-type: none"> ▪ Articles of Incorporation (AOI) ▪ By-Laws ▪ Manual of Corporate Governance ▪ Notice Agenda of the Annual Stockholders Meeting

E.1.3	Are the roles and responsibilities of the board of directors/commissioners clearly stated?	Y	<p>Article IV 4 of the Company By-Laws clearly sets forth the powers of the Board of Directors. The Manual of Corporate Governance, on the other hand, specifically enumerates the duties and responsibilities of the Board of Directors of BPI-Philam. These include, among others, the duties to review and approve the strategic and business plans, including the operating and capital plans of the Company; to oversee the conduct of BPI-Philam's business to ensure that it is being properly managed, and dealings with policyholders, claimants, and creditors are fair and equitable; identify principal business risks and ensure the implementation of appropriate risk management system to specifically manage the various risks of the Company; approve corporate policies in core areas of operations, specially underwriting, investments, reinsurance and claims management; review the adequacy and integrity of BPI-Philam's internal control systems and management information systems, etc.</p> <p>Source Documents:</p> <ul style="list-style-type: none"> ▪ By-Laws, Article IV, pages 4 to 10 ▪ Manual of Corporate Governance, pages 1 to 2 ▪ 2015 Annual Report, page 31 - ROLES AND RESPONSIBILITIES OF THE BOARD
Corporate Vision/Mission			
E.1.4	Does the company have a vision and mission statement?	Y	<p>Our Vision <i>To be the leading life insurance company in the country by making insurance accessible and personalized to every Filipino</i></p> <p>Our Mission <i>We make insurance easy to get and easy to have for every Filipino no matter what class they belong to</i></p> <p>Source Documents:</p> <ul style="list-style-type: none"> ▪ Company Website: www.bpi-philam.com ▪ 2016 Annual Report, page 4
E.1.5	Has the board review the vision and mission/strategy in the last financial year?	Y	<p>As part of its duties and responsibilities spelled out in the Manual of Corporate Governance, the Board of Directors periodically reviews and approves the vision and mission of the Company. The Board has the responsibility to review and approve the strategic and business plans of the Company, including its operating and capital plans. The Board regularly monitors and oversees the implementation of the Company's strategies. During the quarterly meetings of the Board, management presents to the Board the strategies, and initiatives and action plans of the Company, and whether said strategies, initiatives and action plans have been duly implemented.</p> <p>During the stockholders meeting of BPI-Philam held on 21 April 2016, Management</p>

			<p>presented the Annual Report where the Company's Vision and Mission for 2016 is included, and thereafter approved by the stockholders.</p> <p>Source Documents:</p> <ul style="list-style-type: none"> ▪ Manual of Corporate Governance, pages 1 to 2 – Roles and Responsibilities of the Board of Directors ▪ Minutes of the Annual Stockholders Meeting dated 21 April 2017 ▪ 2016 Annual Report, page 31 – ROLE AND RESPONSIBILITIES OF THE BOARD
E.1.6	Does the board of directors monitor/oversee the implementation of the corporate strategy?	Y	<p>As part of its duties and responsibilities spelled out in the Manual of Corporate Governance, the Board of Directors monitor/oversee the Company's strategy. The Board has the responsibility to review and approved the strategic and business plans of the Company, including its operating and capital plans. The Board regularly monitors and oversees the implementation of the Company's strategies. During the quarterly meetings of the Board, management presents to the Board the strategies, and initiatives and action plans of the Company, and whether said strategies, initiatives and action plans have been duly implemented.</p> <p>Source Documents:</p> <p>Manual of Corporate Governance, pages 1 to 2 – Roles and Responsibilities of the Board of Directors</p>
E.2	Board structure		
	Code of Ethics or Conduct		
E.2.1	Are the details of the code of ethics or conduct disclosed?	Y	<p>BPI-Philam, like AIA, upholds the highest ethical standard and professional behaviour and abide by its operating philosophy of “Doing the right thing, the right way, with the right people, and the right results will come”.</p> <p>The AIA Code of Conduct sets out the Company's commitment to its operating philosophy and the ethical guidelines for conducting business. The standards set forth in the Code apply not only to the directors, senior management, and employees but to the business partners including agents, contractors, subcontractors, suppliers, distribution partners, and those who act on behalf of AIA and Philam Life.</p> <p>The AIA Code of Conduct is made available on the Company Website and the 2016 Annual Report.</p> <p>Source Documents:</p> <ul style="list-style-type: none"> ▪ AIA Code of Conduct ▪ 2016 Annual Report, page 36 - AIA Code of Conduct

E.2.2	Does the company disclose that all directors/commissioners, senior management and employees are required to comply with the code?	Y	<p>The Company, its directors, senior management, officers and employees are mandated and required to comply with the AIA Code of Conduct. The Code specifies the standards of behaviour which every AIA employee, and stakeholders are expected to adhere. It applies to all AIA officers and employees, business partners, including agents, contractors, subcontractors, suppliers, distribution partners and other who act on behalf of AIA. To ensure that all BPI-Philam employees are aware of the provisions of the Code, an annual certification program is conducted whereby all employees confirm their knowledge and understanding about the rules and guidelines written in the Code. At the same time, it is company policy that all new hires attend the New Employees Orientation Program (NEOP) wherein Company and all other relevant compliance policies including the AIA Code Conduct are discussed. This program is offered on a monthly basis and is conducted either by the HR Training Department or Compliance.</p> <p>Source Document: 2016 Annual Report, page 36 - AIA Code of Conduct</p>
E.2.3	Does the company disclose how it implements and monitors compliance with the code of ethics or conduct?	Y	<p>It is the Company's policy that all new hires are required to undergo the New Employees Orientation Program (NEOP), wherein Company and all other relevant compliance policies, including the AIA Code Conduct, are discussed. All new employees are thereafter required to certify that they have read and understood the AIA Code of Conduct, to ensure compliance with its provisions. The orientation program is offered on a monthly basis and is conducted either by the HR Training Department or Compliance.</p> <p>In addition, the Company conducts and requires a Code of Conduct - Annual Certification Program. To ensure that all Bpi-Philam employees are aware of the provisions of the Code, an Annual Certification Program is conducted whereby all employees confirm their knowledge and understanding about the rules and guidelines written in the Code. The Program also requires all employees to certify, on an annual basis, their compliance to the Code of Conduct.</p> <p>Source Document: 2016 Annual Report, page 36 - CODE OF CONDUCT – ANNUAL CERTIFICATION PROGRAM</p>
Board Structure & Composition			
E.2.4	Do independent directors/commissioners make up at least 50% of the board of directors/commissioners?	Y	<p>Of the eleven (11) members of the Board of Directors, eight (8) are considered independent, non-executive directors.</p> <p>Source Documents:</p> <ul style="list-style-type: none"> ▪ 2016 Annual Report, pages 23 to 28, Board of Directors Profile ▪ 2016 General Information Sheet (GIS), page 3

E.2.5	Are the independent directors/commissioners independent of management and major/ substantial shareholders?	Y	<p>The two (2) independent directors of the Board possess all the necessary requirements of an independent director, as provided by the law, the regulators, and the Manual of Corporate Governance, and are absolutely independent of management and major shareholder of BPI-Philam. Both of them have not been officers/employees of BPI-Philam, its subsidiaries and affiliates, nor are they related in any manner with any director, officer or majority shareholder of BPI-Philam; they are also free from any business or other relationships with the company or any of its major stockholders.</p> <p>Source Documents: Manual of Corporate Governance, pages 5-6, Qualifications, B. Independent Directors</p>
E.2.6	Does the company have a term limit of nine years or less for its independent directors/commissioners?	Y	<p>The Company currently adheres to the Insurance Commission Circular Letter No. 2014-49 prescribing the term limits for independent directors. The Circular provides that an Independent Director (ID) can serve as such for five (5) consecutive years, after the completion of which, he shall be ineligible for election in the same company unless he has undergone a "cooling off" period of two (2) years, provided, that during such period, the ID concerned has not engaged in any activity that under existing rules disqualifies a person from being elected as such in the same company; an ID re-elected as such in the same company after the "cooling off" period can serve for another five (5) consecutive years, after which he shall be perpetually barred from being elected in the same company.</p> <p>On 10 March 2017, the Securities and Exchange Commission issued SEC Memorandum Circular No. 4, which provides that a company's independent director shall serve for a maximum cumulative term of nine (9) years, after which he shall be perpetually barred from re-election as such in the same company, but may continue to qualify as a non-independent director, unless meritorious justification is provided by the Board, which is approved by the shareholders during the annual shareholders' meeting.</p> <p>The Company undertakes to adopt the nine-year term limit upon issuance of a corresponding Circular by the Insurance Commission.</p> <p>Source Document: 2016 Annual Report, page 21 - List of Stockholders, Date of First Appointment</p>
E.2.7	Has the company set a limit of five board seats that an individual independent/non-executive director/commissioner may hold simultaneously?	Y	<p>Under the Manual of Corporate Governance of the Company, the optimum number of directorships shall be generally related to the capacity of a director in performing his duties diligently. The CEO and other executive directors, however, shall submit themselves to a low indicative limit (four or lower) on membership in other corporate boards. The same low limit applies to independent non-executive directors who serve as full time executives in other corporations. There can be a higher indicative limit (five</p>

			<p>or lower) for other directors who hold non-executive position in any corporation. In any case, the capacity of directors to serve with diligence shall not be compromised.</p> <p>Source Document: Manual of Corporate Governance, pages 2-3, Board Balance and Independence, B. Multiple Board Seats</p>
E.2.8	Does the company have any independent directors/commissioners who serve on a total of more than five boards of publicly-listed companies?	N	<p>The Company currently has no independent directors who serve on more than five boards of publicly-listed companies. The profile of Philam Life's independent directors is disclosed in the 2016 Annual Report.</p> <p>Source Document: 2016 Annual Report, pages 23 to 28- Board of Directors Profile</p>
E.2.9	Does the company have any executive directors who serve on more than two boards of listed companies outside of the group?	N	<p>Messrs. Surendra and Rosenthal are the only executive directors in the Board, and are not a director of any publicly listed companies. The executive directors' profile are disclosed in the 2016 Annual Report of the Company.</p> <p>Source Document: 2016 Annual Report, pages 24 and 27 – Profile of Messrs. Surendra and Rosenthal</p>
	<i>Nominating Committee</i>		
E.2.10	Does the company have a Nominating Committee (NC)?	Y	<p>BPI-Philam has a Nomination & Governance Committee whose primary responsibility is to assist the Board of Directors in carrying out its responsibilities relating to stewardship and governance. The Nomination and Governance Committee Charter sets forth the various authority and responsibilities of the Committee, which include among others: recommend to the Board various criteria for Board membership, taking into account the competencies and skills, expertise, composition and size the Board requires; identify and recommend to the Board individuals qualified to become Board members; consider questions of independence and possible conflicts of interest of members of the Board; recommend, on an annual basis, assignment to committees of the Board, including recommendations as to Committee Chairmen; oversee, on an annual basis, the evaluation of the Board and its committees to determine whether the Board, its members, and its committees are functioning effectively; and manage Board and committee succession planning.</p> <p>Source Documents:</p> <ul style="list-style-type: none"> ▪ Nomination and Governance Committee Charter ▪ 2016 Annual Report, page 33 - Nomination and Governance Committee Composition
E.2.11	Does the Nominating Committee comprise of a majority of independent directors/commissioners?	N	<p>Under its Charter and the Manual of Corporate Governance, the Nomination Committee shall consist of at least three (3) members of the Board of Directors, one of whom must</p>

			<p>be independent. BPI-Philam's Nomination & Governance Committee is currently composed of the following: Mr. Surendra Menon (executive director); Amb. Jesus P. Tambunting (independent director); and Mr. Aurelio Luis R. Montinola III (non-executive director).</p> <p>Source Documents:</p> <ul style="list-style-type: none"> ▪ Nomination and Governance Committee Charter ▪ Manual of Corporate Governance, page 4 – Nomination Committee ▪ 2016 Annual Report, page 33 - Nomination and Governance Committee Composition
E.2.12	Is the chairman of the Nominating Committee an independent director/commissioner?	N	<p>BPI-Philam's Nomination & Governance Committee is chaired by Mr. Surendra Menon, who is an executive director.</p> <p>Source Document: 2016 Annual Report, page 33 - Nomination and Governance Committee Composition</p>
E.2.13	Does the company disclose the terms of reference/governance structure/charter of the Nominating Committee?	Y	<p>In addition to the provisions set forth in the Manual of Corporate Governance, the Board has approved the Nomination & Governance Committee Charter, which provides the structure, authority and responsibilities, and procedures and administration of the Committee. The Manual of Corporate Governance and the Nomination Committee Charter are made available on the Company website.</p> <p>Source Document: Nomination and Governance Committee Charter</p>
E.2.14	Did the Nominating Committee meet at least twice during the year?	Y	<p>In accordance with the Nomination and Governance Committee Charter, which requires the Committee to meet as often as it deems necessary, the Committee has met six (6) times in 2016. The meetings were held on: 14 January 2017, 09 March 2016, 18 March 2016, 22 June 2016, 14 July 2016, and 07 October 2016.</p> <p>Source Document: 2016 Annual Report, page 34 - Nomination and Governance Committee Meetings held and attended for the year 2016</p>
E.2.15	Is the attendance of members at Nominating Committee meetings disclosed?	Y	<p>The attendance of the members at the Nomination and Governance Committee meetings was sufficiently disclosed in the 2016 Annual Report. In 2016, the Nomination and Governance Committee six (6) times, which were attended by majority of its current members, while Mr. Surendra attended five (5) meetings since he was only elected only in January 2016, for an overall attendance rate of 88.33%%.</p>

			<p>Source Document: 2016 Annual Report, page 34 - Nomination and Governance Committee Meetings held and attended for the year 2016</p>
	Remuneration Committee/ Compensation Committee		
E.2.16	Does the company have a Remuneration Committee?	Y	<p>BPI-Philam has a Compensation/Remuneration Committee whose primary responsibility is to assist the Board of Directors in carrying out its responsibilities relating to executive and director compensation.</p> <p>The Compensation/Remuneration Committee Charter sets forth the various authority and responsibilities of the Committee, which include among others, recommending to the Board of Directors the form and amount of compensation to be paid by the Company to directors for services on the Board and Board Committee; reviewing the Company's base compensation structure and incentive compensation programs, and recommending changes in or additions to such structure and plans to the Board as needed; and recommending to the Board of Directors the annual bases compensation of the Company's executive officers and senior managers.</p> <p>Source Documents:</p> <ul style="list-style-type: none"> ▪ Remuneration/Compensation Committee Charter ▪ 2016 Annual Report, page 33 - Remuneration/Compensation Committee Composition
E.2.17	Does the Remuneration Committee comprise of a majority of independent directors/commissioners?	N	<p>Under its Charter and the Manual of Corporate Governance, the Compensation/Remuneration Committee shall consist of at least three (3) members of the Board of Directors, unless the Board should from time to time otherwise determine; one of members must be independent. For 2016, the Board has appointed three (3) members, composed of the following: Mr. Surendra Menon (executive director); Mr. Cezar P. Consing (non-executive director); and, Amb. Jesus P. Tambunting (independent director).</p> <p>Source Document: 2016 Annual Report, page 33 - Remuneration/Compensation Committee Composition</p>
E.2.18	Is the chairman of the Remuneration Committee an independent director/commissioner?	N	<p>BPI-Philam Compensation/Remuneration Committee is chaired by Mr. Surendra Menon who is an executive director.</p> <p>Source Document: 2016 Annual Report, page 33 - Remuneration/Compensation Committee Composition</p>
E.2.19	Does the company disclose the terms of reference/ governance structure/ charter of the Remuneration Committee?	Y	<p>In addition to the provisions set forth in the Manual of Corporate Governance, the Board has approved the Compensation/Remuneration Committee Charter, which provides the structure, authority and responsibilities, and procedures and administration of the</p>

			<p>Committee. The Manual of Corporate Governance and the Nomination Committee Charter are made available on the Company website.</p> <p>Source Documents:</p> <ul style="list-style-type: none"> ▪ Remuneration/Compensation Committee Charter ▪ Manual of Corporate Governance, pages 4 to 5 – Remuneration Committee
E.2.20	Did the Remuneration Committee meet at least twice during the year?	N	<p>As provided in the Remuneration/Compensation Committee Charter, the Committee shall meet as often as it deems necessary in order to perform its responsibilities. For 2016, the Remuneration/Compensation Committee has met only once on 15 April 2016.</p> <p>Source Document:</p> <p>2016 Annual Report, page 34 - Remuneration/Compensation Committee Meetings held and attended for the year 2016</p>
E.2.21	Is the attendance of members at Remuneration Committee meetings disclosed?	Y	<p>The attendance of the members at the Remuneration/Compensation Committee meeting was disclosed in the 2016 Annual Report. In 2016, the Remuneration/Compensation Committee met only once on 15 April 2016, which was attended two (2) members of the Committee, for an overall attendance rate of 66.66%.</p> <p>Source Document:</p> <p>2016 Annual Report, page 34 - Remuneration/Compensation Committee Meetings held and attended for the year 2016</p>
	Audit Committee		
E.2.22	Does the company have an Audit Committee?	Y	<p>Default Item as per Insurance Commission Guidelines on Compliance with ACGS (Circular Letter No. 2015-13).</p> <p>The Audit Committee is an independent Committee formed by the Board of Directors to assist the Board in the performance of its duties and responsibilities specifically in ensuring that governance, internal controls, and risk management systems of the organisation are in place. In addition to the responsibilities set forth in the Manual of Corporate Governance of the Company, the Audit Committee Charter also enumerates the composition, authorities and responsibilities, and frequency of meetings of the Audit Committee.</p> <p>Source Documents:</p> <ul style="list-style-type: none"> ▪ Audit Committee Charter ▪ 2016 Annual Report, page 33 - Audit Committee Composition

E.2.23	Does the Audit Committee comprise entirely of non-executive directors/commissioners with a majority of independent directors/commissioners?	N	<p>BPI-Philam's Audit Committee is composed of two (2) independent directors and one (1) executive director. The Audit Committee is composed of Mr. Romeo L. Bernardo (Chairman), Amb. Jesus P. Tambunting, both are independent directors, and Mr. Andreas Rosenthal an executive director.</p> <p>Source Document: 2016 Annual Report, page 33 - Audit Committee Composition</p>
E.2.24	Is the chairman of the Audit Committee an independent director/commissioner?	Y	<p>Default Item as per Insurance Commission Guidelines on Compliance with ACGS (Circular Letter No. 2015-13).</p> <p>BPI-Philam's Audit Committee is chaired by Mr. Rome L. Bernardo, who's an independent director of the Company.</p> <p>Source Document: 2016 Annual Report, page 33 - Audit Committee Composition</p>
E.2.25	Does the company disclose the terms of reference/governance structure/charter of the Audit Committee?	Y	<p>The Audit Committee has adopted a formal terms of reference, the Audit Committee Charter, to detail its responsibility for oversight of the organisation's corporate governance process. The Committee, while exercising its oversight role, relies on the expertise of management and works with the Internal and External Auditors to ensure the integrity of the financial statements and the continuous review of the organisation's governance process, risk management and internal controls. The Audit Committee Charter is made available on the Company website.</p> <p>Source Document: Audit Committee Charter</p>
E.26	Does the Annual Report disclose the profile or qualifications of the Audit Committee members?	Y	<p>The profile and qualifications of the three (3) members of the Audit Committee of BPI-Philam are fully disclosed in the 2016 Annual Report (pages 23 to 28).</p> <p>Source Document: 2016 Annual Report, pages 23 to 28 – Profile of Directors</p>
E.2.27	Does at least one of the independent directors/commissioners of the committee have accounting expertise (accounting qualification or experience)?	Y	<p>Majority of the members of the committee are have accounting experience/expertise which is in compliance with the company's Manual of Corporate Governance which states the Committee shall be comprised of at least three (3) members of the Board, two (2) of whom shall be independent directors, preferably with accounting and finance experiences. Members of the Committee, namely: Romeo L. Bernardo (Chair); Jesus P. Tambunting; and Andreas Rosenthal.</p>

			<p>Source Document: 2016 Annual Report, pages 23 to 28 – Profile of Directors</p>
E.2.28	Did the Audit Committee meet at least four times during the year?	Y	<p>In accordance with the Audit Committee Charter, which requires the Committee to meet at least every quarter or more frequently as the circumstances require, the Audit Committee of BPI-Philam Life has met four (4) times in 2016. The meetings were held on 22 January 2016; 18 April 2016; 18 July 2016; and 17 October 2016.</p> <p>Source Document: 2016 Annual Report, page 34 - Meetings held and attended for the year 2016</p>
E.2.29	Is the attendance of members at Audit Committee meetings disclosed?	Y	<p>The attendance of the members at the Audit Committee meetings was sufficiently disclosed in the 2016 Annual Report. In 2016, the Audit Committee met four (4) times, for an overall attendance rate of 88.33%.</p> <p>Source Document: 2016 Annual Report, page 34 - Meetings held and attended for the year 2016</p>
E.2.30	Does the Audit Committee have primary responsibility for recommendation on the appointment, and removal of the external auditor?	Y	<p>The Audit Committee has the primary responsibility to recommend the appointment, re-appointment or removal of the external auditor. During its 21 April 2016 meeting, the Audit Committee endorsed and recommended to the Board for its approval the reappointment of Isla Lipana & Co./PriceWaterhouseCoopers as the External Auditor of BPI-Philam for 2016.</p> <p>Source Documents:</p> <ul style="list-style-type: none"> ▪ Audit Committee Charter ▪ Manual of Corporate Governance, pages 3 to 4 - Audit Committee ▪ Minutes of the Annual Stockholders' meeting, pages 6 to 7
E.3	Board Processes		
	<i>Board meetings and attendance</i>		
E.3.1	Are the board of directors meeting scheduled before the start of financial year?	Y	<p>Before the start of the financial year, the Corporate Secretary advises the members of the Board of the schedules of their meetings, which may change subject to their availability and other reasonable circumstances. Board meetings are regularly set on a quarterly basis, while special meetings are called by the Chief Executive Officer, or as provided in the Company-By-Laws.</p> <p>Five (5) days prior to the scheduled meetings, the Corporate Secretary sends to the members of the Board their respective meeting packs, which would contain among</p>

			<p>others the Board and Committee meeting minutes, the management report and financial highlights, and other items the need action and approval of the Board.</p> <p>Source Document: 2016 Annual Report, page 34 – BOARD MEETINGS IN 2016</p>
E.3.2	Does the board of directors/commissioners meet at least six times during the year?	Y	<p>The Board of Directors met for a total of seven (7) times in 2016. The meetings were held on:</p> <p>22 January 2016 10 February 2016 18 April 2016 23 June 2016 18 July 2016 17 October 2016 10 November 2016</p> <p>Source Document: 2016 Annual Report, page 34 - Meeting held and attended for the year 2016</p>
E.3.3	Has each of the directors/commissioners attended at least 75% of all the board meetings held during the year?	N	<p>The Board of Directors met for a total of seven (7) times in 2016 with an overall attendance rate of 95.23%.</p> <p>The following directors attended all the Board meetings held in 2016, for an overall attendance rate of 100%:</p> <p>1) Mr. Aurelio Luis R. Montinola III – 7 of 7 meetings (100%) 2) Mr. Darren Thomson – 7 of 7 meetings (100%) 3) Mr. Surendra Menon - 7 of 7 meetings (100%) 4) Mr. Ariel G. Cantos - 7 of 7 meetings (100%) 5) Mr. Romeo L. Bernardo – 7 of 7 meetings (100%) 6) Amb. Jesus P. Tambunting – 7 of 7 meetings (100%) 7) Mr. Cezar P. Consing – 7 of 7 meetings (100%)</p> <p>Ms. Natividad N. Alejo attended 6 of the 7 meetings of the Board, for an overall attendance rate of 85.71%.</p> <p>Mr. Simon R. Paterno attended 5 of the 7 meetings, for an overall attendance rate of 71.43%.</p>

			<p>Mr. Ryan Robert Quinn, who was only elected on April 2016, attended 4 meetings, for an overall attendance rate of 80%.</p> <p>Mr. Andreas Rosenthal, who was elected only on 18 July 2017, attended 2 meetings as member of the Board, for an overall attendance rate of 100%.</p> <p>Source Document: 2016 Annual Report, page 34 - Meeting held and attended for the year 2016</p>
E.3.4	Does the company require a minimum quorum of at least 2/3 for board decisions?	Y	<p>Under the Company By-Laws, a majority of the directors shall constitute a quorum for the transaction of the business at any meeting. Thus, the presence of at least six (6) out of eleven (11) directors is necessary to have a quorum, and the affirmative votes of the majority of the directors present are required to decide a matter, except when the law or the By-Laws required a higher number.</p> <p>Source Document: By-Laws, Article III, Section 6, page 3</p>
E.3.5	Did the non-executive directors/commissioners of the company meet separately at least once during the year without any executives present?	Y	<p>In addition to the regular meetings of the Board, the non-executive and independent directors, without the presence of the executive director and management, meet separately at least once a year. For 2016, the non-executive and independent directors have met separately and exclusively in various occasions, mostly after Board meetings, to discuss various business matters relating to the Company, and ensure that proper checks and balances are in place within the organisation.</p> <p>Source Document: 2016 Annual Report, page 31 – BOARD PROCESS</p>
	Access to information		
E.3.6	Are board papers for board of directors/commissioners meetings provided to the board at least five business days in advance of the board meeting?	Y	<p>In order for the directors have ample time to go over and review the documents to be presented in the meeting, five (5) days prior to the scheduled meetings, the Corporate Secretary sends to the members of the Board, through email and Board Pad, their respective meeting packs which would contain among others the Board and Committee meeting minutes, the management report and financial highlights, and other items the need action and approval of the Board. In 2015, Philam Life has implemented the use of BoardPad - a paperless solution for distributing meeting materials to the Board and Board Committee.</p> <p>Source Documents: 2016 Annual Report, page 31 – BOARD PROCESS</p>

E.3.7	Does the company secretary play a significant role in supporting the board in discharging its responsibilities?	Y	<p>The Company Secretary is primarily responsible to the Corporation and its shareholders, but likewise plays a very significant role in supporting the Board in discharging its responsibilities. Under Article VI, Section 9 of the Company By-Laws, the Corporate Secretary has the responsibility to attend all meetings of the stockholders and Board of Directors, and to record the minutes of all proceedings in the minutes book; she shall perform like duties for any Committee of the Board when required. The Corporate Secretary shall also cause to be given notice of all meetings of the directors and stockholders, and shall perform such other duties as pertaining to her office.</p> <p>Source Document: By-Laws, Article VI, Section 9, pages 13 – 14</p>
E.3.8	Is the company secretary trained in legal, accountancy or company secretarial practices?	Y	<p>Atty. Carla J. Domingo is currently the Corporate Secretary of Philam Life and BPI-Philam Life Assurance Corporation (BPLAC). She joined Philam Life in 1998 as Corporate Legal Officer under the Office of the Corporate Secretary. In 1997, she was appointed Asst. Corporate Secretary of the Company and its affiliates and subsidiaries. Eleven year after or in 2008, Atty. Domingo was promoted and appointed Corporate Secretary of Philam Life, its affiliates and subsidiaries. As part of her developmental plan, she was also seconded as the Deputy Company Secretary of the AIA Group Company Limited in Hong Kong from 2014 to 2015. With 19 years of corporate secretarial service experience in Philam Life, as well as in AIA, she has definitely acquired significant trainings and experiences to efficiently and competently perform her duties and responsibilities as Philam Life's Corporate Secretary. Atty. Domingo was a graduate of the University of the East, with a Bachelor of Arts Degree Major in Political Science, where she graduated Magna Cum Laude. She took her Bachelor of Laws Degree in San Beda, College of Law. Atty. Domingo is a member of the Integrated Bar of the Philippines, and a Fellow of the Institute of Corporate Directors (ICD).</p> <p>Source Document: 2016 Annual Report, page 29 – BOARD SUPPORT, Profile of Carla J. Domingo</p>
Board Appointments and Re-Election			
E.3.9	Does the company disclose the criteria used in selecting new directors/commissioners?	Y	<p>The Manual of Corporate Governance explicitly provides the criteria which the Board should use in selecting new directors. Formal, rigorous, and transparent procedures were set for the selection and appointment of the Company's new directors of the Board.</p> <p>Under the Manual, the directors must possess all the necessary skills, competence, and experience, in terms of management capabilities; they shall preferably be in the field of insurance or insurance-related disciplines, and shall be persons of integrity and credibility. It is also required that each director shall be at least twenty-five (25) years of age at the time of his appointment, and must have attended a special seminar on</p>

			<p>Corporate Governance conducted by a training provider accredited by the Insurance Commission.</p> <p>For independent director, the Manual provides additional criteria, as follows: he shall be one who has not been an officer or employee of BPI-Philam, its subsidiaries or affiliates or related interest for at least (3) three years immediately preceding his term or incumbency; he shall not be related within the fourth degree of consanguinity or affinity, legitimate or common-law of any director, officer, or majority shareholder of the Company or any of its related companies; he should not be a director or officer of the related companies of BPI-Philam majority shareholders; he shall not be a majority of shareholder of the Company, and of its related companies, or of its majority shareholder; he is not acting as nominee or representative of any director or substantial shareholder of Philam Life, any of its substantial shareholders; and he shall free from any business or other relationships with BPI-Philam or any of its major stockholders, which could material interfere with the exercise of his judgement.</p> <p>The Manual of Corporate Governance also provides for grounds for the permanent and temporary disqualification of a director.</p> <p>Source Document: Manual of Corporate Governance, pages 5 to 7, Members of BPI-Philam Board of Directors (Qualifications & Disqualifications)</p>
E.3.10	Does the company disclose the process followed in appointing new directors/commissioners?	Y	<p>The Manual of Corporate Governance spells out the Appointment Process for BPI-Philam Board of Directors. The Manual prescribes a formal, rigorous and transparent procedures for the selection and appointment of new directors of the Board. Appointments to BPI-Philam 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 appointees have enough time for the job. The Board also 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.</p> <p>On the other hand, the Company uses a transparent procedure for the election of directors. The Nomination and Governance Committee looks into the qualifications of directors and thereafter the Board deliberates on the recommendation of the Committee. At the stockholders meeting, the shareholders are duly informed by the Corporate Secretary of the qualified nominees and of the voting method and vote counting system. Each stockholder with voting privilege shall be entitled to cumulate his vote in the manner provided by law. After the election process, the Corporate Secretary shall count the votes and thereafter declare the duly elected members of the Board.</p>

			<p>Source Documents:</p> <ul style="list-style-type: none"> ▪ 2016 Annual Report, page 31 – ELECTION OF DIRECTORS ▪ Manual of Corporate Governance, page 3 - Appointments to BPLAC Board of Directors
E.3.11	Are all the directors/commissioners subject to re-election at least once every three years?	Y	<p>Default item as per Insurance Commission Guidelines on Compliance with ACGS (Circular Letter No. 2015-13) Insurance.</p> <p>Under the Manual of Corporate Governance, all Philam Life directors shall be subject to re-election at intervals of no more than three years. The names of directors submitted for re-election shall be accompanied by sufficient biographical details and any other relevant information to enable shareholders to have knowledge of their decision on their election.</p> <p>All the directors of Philam Life have been subjected to re-election once a year, except for Mr. Surendra Menon who was just elected as member of the Board on 05 October 2016.</p> <p>Source Documents:</p> <ul style="list-style-type: none"> ▪ Minutes of the Annual Meeting of the Stockholders held on 18 April 2016, pages 4 to 5 ▪ Minutes of the Annual Meeting of the Stockholders held on 21 April 2017, pages 5 to 6
	Remuneration Matters		
E.3.12	Does the company disclose its remuneration (fees, allowances, benefit-in-kind and other emoluments) policy/practices (i.e. the use of short term and long term incentives and performance measures) for its executive directors and CEO?	N	The company does not disclose its remuneration for its executive directors and CEO.
E.3.13	Is there disclosure of the fee structure for non-executive directors/commissioners?	Y	<p>The General Information Sheet discloses the fee structure for non-executive directors. This fee structure was approved by stockholders in the Annual Stockholders Meeting.</p> <p>Source Documents:</p> <ul style="list-style-type: none"> ▪ 2016 General Information Sheet, page 7 ▪ Minutes of the Annual Meeting of the Stockholders held on 18 April 2016, page 6 ▪ Minutes of the Annual Meeting of the Stockholders held on 21 April 2017, page 7
E.3.14	Do the shareholders or the Board of Directors approve the remuneration of the executive directors and/or the senior executives?	Y	<p>Default item as per Insurance Commission Guidelines on Compliance with ACGS (Circular Letter No. 2015-13) Insurance.</p> <p>The company's Manual of Corporate Governance states that Compensation/Remuneration Committee shall assist the Board of Directors in carrying</p>

			<p>out its responsibilities relating to executive and director compensation. In furtherance of this purpose, the Committee shall have the following responsibilities and authority:</p> <ul style="list-style-type: none"> • BPI-Philam Compensation or Remuneration Committee is composed of at least three (3) members, one of whom is an independent director. • It shall judge or make plans where to position the company relative to other companies. But such comparisons shall be used with caution in view of the risk of an upward ratchet of the level of remuneration with no corresponding improvement in performance. • It shall delegate responsibilities for setting up remuneration for all executive directors and chairman, including pension rights or any compensation payments, • It shall also recommend and monitor the level and structure of salaries including remunerations for senior management. The definition of senior management for this purpose shall be determined by Philamlife Board of Directors but would normally include first level management below Board level. <p>Source Document: Manual of Corporate Governance, C. Remuneration Committee, pages 4 to 5</p>
E.3.15	Do independent non-executive directors/commissioners receive options, performance shares or bonuses?	Y	<p>During the last annual stockholders' meeting, the stockholders approved the annual bonus of the independent directors for 2016.</p> <p>Source Document: Minutes of the Annual Meeting of the Stockholders held on 21 April 2017, page 7</p>
	Internal Audit		
E.3.16	Does the company have a separate internal audit function?	Y	<p>Default item as per Insurance Commission Guidelines on Compliance with ACGS (Circular Letter No. 2015-13) Insurance.</p> <p>Under the Manual of Corporate Governance, the Board of Directors is required to establish an Audit Committee and an Internal Audit Office. The same Manual requires the Audit Committee to setup an Internal Audit Department. Thus, by virtue of such mandate, the Group Internal Audit (GIA) was established. GIA's mission was to provide independent and objective assessment and reporting of the overall effectiveness of risk management, internal controls and governance processes across the Group. GIA adopts a risk-based audit plan which considers the significant risks affecting the strategies and key objectives of the Company. Philam GIA is directly overseen and supported by AIA Group Internal Audit, and functionally reports to the Audit Committee, while administratively reporting to the Chief Executive Officer.</p>

			<p>Source Documents: Manual of Corporate Governance, C. Audit Commitment and Auditors, page 12 2016 Annual Report, page 47 – AUDIT COMMITTEE</p>
E.3.17	Is the head of internal audit identified or, if outsourced, is the name of the external firm disclosed?	Y	<p>Ms. Shiela S. Alarcio was properly identified as the Head of BPI-Philam Internal Audit. Her appointment was made during the organizational meeting of the Board of Directors on 21 April 2016. The function is not outsourced to an external firm.</p> <p>Source Documents:</p> <ul style="list-style-type: none"> ▪ 2016 Annual Report, page 47 – AUDIT COMMITTEE ▪ 2016 General Information Sheet, page 3
E.3.18	Does the appointment and removal of the internal auditor require the approval of the Audit Committee?	Y	<p>Default Item as per Insurance Commission Guidelines on Compliance with ACGS (Circular Letter No. 2015-13).</p> <p>The Company's Manual of Corporate Governance gives the Audit Committee the authority to appoint the internal auditor. The Audit Committee Charter also provides the Committee the authority to recommend and appoint of the Internal Audit Head, and delegate is responsibilities on the appointment of other internal auditors.</p> <p>Source Documents:</p> <ul style="list-style-type: none"> ▪ Manual of Corporate Governance, pages 3 to 4 – Audit Committee ▪ Audit Committee Charter
	<i>Risk Oversight</i>		
E.3.19	Does the company disclose the internal control procedures/risk management systems it has in place?	Y	<p>BPI-Philam follows a Risk Management Framework (RMF) which identifies, quantifies, and mitigates risk within the Company. An effective RMF is the key to avoiding significant financial and reputational damages that arise from inadequate or ineffective control of the risks in the business. At the heart of the Company's RMF is a system for risk governance that oversees various aspects. The RMF is built around the Risk Working Committee (RWC), which oversees and reviews both financial and operational risks, and ensures that appropriate risk policies are in place.</p> <p>Source Documents: 2016 Annual Report, pages 44 to 46 – ENTERPRISE RISK MANAGEMENT</p>
E.3.20	Does the Annual Report disclose that the board of directors/commissioners has conducted a review of the company's material controls (including operational, financial and compliance controls) and risk management systems?	Y	<p>The Board has established a Board Risk Committee who is responsible for reviewing the Company's material controls and risk management systems, and for oversight of the Company's risk management activities. It determines the Risk Appetite, the Risk Management Statement, and the Risk Management Framework of Philam Life, and advises and assists the Board of Directors in the review and recommendation of these</p>

			<p>matters. In 2016, the Board Risk Committee met four times and validated that risk management processes are in place to ensure that the amount of risk taken is consistent with the company's Risk Appetite.</p> <p>Source Document:</p> <ul style="list-style-type: none"> ▪ 2016 Annual Report, pages 44 to 46 – ENTERPRISE RISK MANAGEMENT ▪ Board Risk Committee Charter
E.3.21	Does the company disclose how key risks are managed?	Y	<p>The Company believes that sound risk management hinges on effective quantification of risks. To this end, risk metrics are used to identify our exposure to financial risks.</p> <p>The Committee manages its exposure to financial risk within tolerances agreed by the Risk Working Committee. As an internal control procedure, risk metrics, risk tolerances, and limits were set to monitor risk exposure and to ensure that the Company is operating within its Risk Appetite. It also manages financial risk by periodically running specific scenario-modelling exercises.</p> <p>Operational Risk, on the other hand, is managed by first breaking these down into 13 defined risk areas or Key Operational Risks (KORs): Business Interruption risk, Distribution risk, Finance and Actuarial Process risk, Fraud and Financial Crimes risk, Information Security risk, Information Technology risk, Investment Process risk, Legal and Regulatory risk, Operations Process risk, People risk, Products Management risk, Project risk, and Third Party risk. Each KOR is measured using KRIs, with a first line owner for respective KORs. The RWC reviews these risks regularly including emerging risks.</p> <p>Every year, the Risk and Control Assessment process identifies and assesses the impact of Operational risks. Here, management considers possible or actual risk events, ascribes likelihood of occurrence and potential severity, and then agrees on mitigation strategies to reduce these risks. These strategies are then monitored and the exercise being repeated, with the results stored in an operational risk database.</p> <p>Source Document: 2016 Annual Report, pages 44 to 46 – ENTERPRISE RISK MANAGEMENT</p>
E.3.22	Does the Annual Report contain a statement from the board of directors/commissioners or Audit Committee commenting on the adequacy of the company's internal controls/risk management systems?	Y	<p>For 2016, The Board of Directors, through its Board Risk and Audit Committees, has conducted a regular review of the Company's material controls (including operational, financial and compliance controls) and risk management systems. The Board Risk Committee, the Audit Committee and the Board of Directors have declared their satisfaction and confidence on the Company's internal controls and risk management systems.</p>

			<p>Source Document: 2016 Annual Report, pages 44 to 46 – ENTERPRISE RISK MANAGEMENT</p>
E.4	People on the Board		
	Board Chairman		
E.4.1	Do different persons assume the roles of chairman and CEO?	Y	<p>For 2016, the Chairman of the Board was Mr. Aurelio Luis R. Montinola III, while the Chief Executive Officer was Mr. Surendra Menon.</p> <p>Source Document: 2016 Annual Report, pages 23 and 24 – Profile of Messrs. Montinola and Surendra</p>
E.4.2	Is the chairman an independent director/commissioner?	N	<p>The Chairman of the Board, Mr. Aurelio Luis R. Montinola III, is a non-executive director of the Company.</p> <p>Source Document: 2016 Annual Report, page 23 – Profile of Mr. Aurelio Luis R. Montinola III</p>
E.4.3	Has the chairman been the company CEO in the last three years?	N	<p>Mr. Aurelio Luis R. Montinola III, Chairman of the Board, is not and has never been the Chief Executive Officer of BPI-Philam.</p> <p>Source Document: 2016 Annual Report, page 23 – Profile of Mr. Aurelio Luis R. Montinola III</p>
E.4.4	Are the role and responsibilities of the chairman disclosed?	Y	<p>The Company By-Laws discloses the role and responsibilities of the Chairman of the Board. As provided in Article IV Section 4 of the Company By-Laws, the Chairman of the Board of Directors shall have the power and duty to preside at all meetings of the Board of Directors and of the stockholders and to exercise such other powers and perform such other duties and functions as the Board of Directors may, from time to time, assign.</p> <p>Source Document: By-Laws, Article IV, Section 4, page 11</p>
	Skills and Competencies		
E.4.5	Does at least one non-executive director/commissioner have prior working experience in the major sector that the company is operating in?	Y	<p>BPI-Philam has three (3) non-executive directors, who have prior working experience in the insurance industry.</p> <p>Mr. Darren Thomson is currently Groups Director of Partner Development for AIA He's repo. responsible for the Group Partnership Distribution function as a strategic business unit, providing best-in-class capabilities required to become the preferred partner in Asia</p>

			<p>for leading banks, IFA's and HNW and affinity groups. Mr. Thomson was Regional Head, Strategic Channel Development; President and CEO, Manulife Singapore and; Chairman, Manulife Asset Management Singapore. He also worked for Prudential plc in Asia and in the UK for 20 years.</p> <p>Mr. Ariel Cantos is currently the Chief Executive Officer of Philam Life. Prior to his appointment, Mr. Cantos held the role of CEO of BPI-Philam, the bancassurance joint venture of Philam Life and the Bank of the Philippine Islands (BPI), the leading bancassurance operation in the Philippines. He is also currently the president of the Philippine Life Insurance Association Inc. (PLIA).</p> <p>Ryan Quinn is AIA Regional Head of Partnership Distribution for Australia, New Zealand, Vietnam and Philippines. He is responsible for working with local heads of partnership distribution and working with them to execute their business strategies. He also has responsibility for HNW, IFA/Brokerage across the AIA group. He was also Chief Distribution officer of the Korean AIA business.</p> <p>Source Document: 2016 Annual Report, pages 23, 24 and 26 – Profile of Messrs. Thomson, Cantos and Quinn</p>
E.4.6	Does the company disclose a board of directors/commissioners diversity policy?	Y	<p>BPI-Philam supports diversity in the Board of Directors. Under the Manual of Corporate Governance of the Policy, the Board is required to endeavour a balance composition of the Board.</p> <p>For 2016, the Board has one female member, Ms. Natividad N. Alejo, who is the President of BPI Family Savings Bank. Her membership has definitely given the Board the added value, skills, expertise and experience necessary to perform its functions.</p> <p>Source Documents:</p> <ul style="list-style-type: none"> ▪ Manual of Corporate Governance, page 2 - Board Composition ▪ 2016 Annual Report, page 25 – Profile of Ms. Natividad N. Alejo
E.5	Board Performance		
	Directors Development		
E.5.1	Does the company have orientation programmes for new directors/commissioners?	Y	<p>BPI-Philam Corporate Secretary provides the orientation for the newly elected directors to explain the organizational profile, charters, by-laws, policies and procedures of the company. New directors are also given with a Board of Director's Induction Kit, which contains the above information, together with the Manual of Corporate Governance, which contains the roles and responsibilities of the Board and various Committees. A corporate governance seminar is also arranged for each director to ensure adherence to best practices on corporate governance.</p>

			<p>Source Documents:</p> <ul style="list-style-type: none"> ▪ Directors' Handbook ▪ 2016 Annual Report, page 31 - ORIENTATION PROGRAMME AND TRAINING
E.5.2	Does the company have a policy that encourages directors/commissioners to attend on-going or continuous professional education programmes?	Y	<p>In addition to the Corporate Governance Seminar required by the Insurance Commission and the Company, the Board members are also encouraged to attend other trainings and professional programmes, and inform the Company on such attendance.</p> <p>Source Document: 2016 Annual Report, page 31 - ORIENTATION PROGRAMME AND TRAINING</p>
	<i>CEO/Executive Management Appointments and Performance</i>		
E.5.3	Does the company disclose how the board of directors/commissioners plans for the succession of the CEO/Managing Director/President and key management?	Y	<p>Under the Manual of Corporate Governance, the Board is required to come out with a Succession Plan for the orderly succession of the Board and the Senior Management in order to maintain a balance of appropriate skills and experiences in the Company.</p> <p>Source Document: Manual of Corporate Governance, page 3 – APPOINTMENTS TO BPI-PHILAM BOARD OF DIRECTORS</p>
E.5.4	Does the board of directors/commissioners conduct an annual performance assessment of the CEO/Managing Director/President?	Y	<p>The Company has established a Board Performance Evaluation Survey, wherein on an annual basis, all members of the Board are given assessment questionnaires for the purpose of evaluating the performance and overall effectiveness of the Board, the Board Committees, the Chairman of the Board and the CEO. Every April of each year, the Board conducts the performance evaluation, and the results are collected and submitted to the Nomination and Governance Committee. Said Committee will then submit the results to the Board for its notation.</p> <p>Source Document: 2016 Annual Report, pages 31 to 32– PERFORMANCE EVALUATION</p>
	<i>Board Appraisal</i>		
E.5.5	Is an annual performance assessment conducted of the board of directors/commissioners?	Y	<p>The Board has conducted the Annual Board Performance Evaluation Survey to evaluate the performance and overall effectiveness of the Board. The Survey was participated by majority of the members of the Board. The Survey was submitted to the Nomination and Governance Committee, and duly noted by the Board.</p> <p>Source Document: 2016 Annual Report, pages 31 to 32 – PERFORMANCE EVALUATION</p>

E.5.6	Does the company disclose the process followed in conducting the board assessment?	Y	<p>In the Annual Board Performance Evaluation Survey, the Board members are required to rate the performance of the Chairman, the CEO, the Board, and the Board Committees based on the standards and criteria provided therein. Among the criteria set include but not limited to the following: the appropriateness of the Board's composition; the director's skills, expertise, and their participation and contribution in the Board and Committee discussions; the working relationship among the Board, the Chairman, and the senior management; the overall performance of the Chairman, the CEO, the Board and the various Board Committees. In the Survey, the Board members are required to give the subject either an 'excellent'; consistently good'; 'adequate'; or 'needs major improvement' rating. The directors are also required to provide other ideas and suggestions on how they could further improve the performance of the Board. After accomplishing the survey, the directors will submit the same to the Corporate Secretary, who will then consolidate and evaluate the answers and submit the results to the Nomination and Governance Committee for its approval. The results will then be reported to the Board for its notation.</p> <p>Source Documents: 2016 Annual Report, pages 31 to 32 – PERFORMANCE EVALUATION</p>
E.5.7	Does the company disclose the criteria used in the board assessment?	Y	<p>In the Annual Board Performance Evaluation Survey, the Board members are required to rate the performance of the Chairman, the CEO, the Board, and the Board Committees based on the standards and criteria provided therein. Among the criteria set include but not limited to the following: the appropriateness of the Board's composition; the director's skills, expertise, and their participation and contribution in the Board and Committee discussions; the working relationship among the Board, the Chairman, and the senior management; the overall performance of the Chairman, the CEO, the Board and the various Board Committees. In the Survey, the Board members are required to give the subject either an 'excellent'; consistently good'; 'adequate'; or 'needs major improvement' rating. The directors are also required to provide other ideas and suggestions on how they could further improve the performance of the Board. After accomplishing the survey, the directors will submit the same to the Corporate Secretary, who will then consolidate and evaluate the answers and submit the results to the Nomination and Governance Committee for its approval. The results will then be reported to the Board for its notation.</p> <p>Source Document: 2016 Annual Report, pages 31 to 32 – PERFORMANCE EVALUATION</p>
Director Appraisal			

E.5.8	Is an annual performance assessment conducted of individual director/commissioner?	Y	<p>In the Annual Board Performance Evaluation Survey, the Board members are required to rate the performance of the Chairman, the CEO, the Board, and the Board Committees based on the standards and criteria provided therein. Among the criteria set include but not limited to the following: the appropriateness of the Board's composition; the director's skills, expertise, and their participation and contribution in the Board and Committee discussions; the working relationship among the Board, the Chairman, and the senior management; the overall performance of the Chairman, the CEO, the Board and the various Board Committees. In the Survey, the Board members are required to give the subject either an 'excellent'; consistently good'; 'adequate'; or 'needs major improvement' rating. The directors are also required to provide other ideas and suggestions on how they could further improve the performance of the Board. After accomplishing the survey, the directors will submit the same to the Corporate Secretary, who will then consolidate and evaluate the answers and submit the results to the Nomination and Governance Committee for its approval. The results will then be reported to the Board for its notation.</p> <p>Source Documents: 2016 Annual Report, pages 31 to 32 - PERFORMANCE EVALUATION</p>
E.5.9	Does the company disclose the process followed in conducting the director/commissioner assessment?	Y	<p>In the Annual Board Performance Evaluation Survey, the Board members are required to rate the performance of the Chairman, the CEO, the Board, and the Board Committees based on the standards and criteria provided therein. Among the criteria set include but not limited to the following: the appropriateness of the Board's composition; the director's skills, expertise, and their participation and contribution in the Board and Committee discussions; the working relationship among the Board, the Chairman, and the senior management; the overall performance of the Chairman, the CEO, the Board and the various Board Committees. In the Survey, the Board members are required to give the subject either an 'excellent'; consistently good'; 'adequate'; or 'needs major improvement' rating. The directors are also required to provide other ideas and suggestions on how they could further improve the performance of the Board. After accomplishing the survey, the directors will submit the same to the Corporate Secretary, who will then consolidate and evaluate the answers and submit the results to the Nomination and Governance Committee for its approval. The results will then be reported to the Board for its notation.</p> <p>Source Documents: 2016 Annual Report, page 31 to 32 - PERFORMANCE EVALUATION</p>
E.5.10	Does the company disclose the criteria used in the director/commissioner assessment?	Y	<p>In the Annual Board Performance Evaluation Survey, the Board members are required to rate the performance of the Chairman, the CEO, the Board, and the Board Committees based on the standards and criteria provided therein. Among the criteria set</p>

			<p>include but not limited to the following: the appropriateness of the Board’s composition; the director’s skills, expertise, and their participation and contribution in the Board and Committee discussions; the working relationship among the Board, the Chairman, and the senior management; the overall performance of the Chairman, the CEO, the Board and the various Board Committees. In the Survey, the Board members are required to give the subject either an ‘excellent’; consistently good’; ‘adequate’; or ‘needs major improvement’ rating. The directors are also required to provide other ideas and suggestions on how they could further improve the performance of the Board. After accomplishing the survey, the directors will submit the same to the Corporate Secretary, who will then consolidate and evaluate the answers and submit the results to the Nomination and Governance Committee for its approval. The results will then be reported to the Board for its notation.</p> <p>Source Documents: 2016 Annual Report, pages 31 to 32 - PERFORMANCE EVALUATION</p>
	Committee Appraisal		
E.5.11	Is an annual performance assessment conducted of the board of directors/commissioners committees?	Y	<p>In the Annual Board Performance Evaluation Survey, the Board members are required to rate the performance of the Chairman, the CEO, the Board, and the Board Committees based on the standards and criteria provided therein. Among the criteria set include but not limited to the following: the appropriateness of the Board’s composition; the director’s skills, expertise, and their participation and contribution in the Board and Committee discussions; the working relationship among the Board, the Chairman, and the senior management; the overall performance of the Chairman, the CEO, the Board and the various Board Committees. In the Survey, the Board members are required to give the subject either an ‘excellent’; consistently good’; ‘adequate’; or ‘needs major improvement’ rating. The directors are also required to provide other ideas and suggestions on how they could further improve the performance of the Board. After accomplishing the survey, the directors will submit the same to the Corporate Secretary, who will then consolidate and evaluate the answers and submit the results to the Nomination and Governance Committee for its approval. The results will then be reported to the Board for its notation.</p> <p>Source Documents: 2016 Annual Report, pages 31 to 32 - PERFORMANCE EVALUATION</p>