

2020 ANNUAL CORPORATE GOVERNANCE REPORT (ACGR)
The Philippine American Life and General Insurance (PHILAM LIFE) Company

RECOMMENDED CORPORATE GOVERNANCE PRACTICE/POLICY	COMPLIANT/ NON-COMPLIANT	ADDITIONAL INFORMATION (TO SUPPORT OF CG PRACTICE/POLICY)	EXPLANATION
<p>PRINCIPLE 1: ESTABLISHING A COMPETENT BOARD The company should be headed by a competent working board to foster the long-term success and sustainability of the corporation in a manner consistent with its corporate objectives and the long term interests of its shareholders and other stakeholders.</p>			
<p>Recommendation 1.1 The Board should be composed of directors with a collective working knowledge, experience or expertise that is relevant to the company's industry/sector. The Board should always ensure that it has an appropriate mix of competent and expertise and that its members remain qualified for their positions individually and collectively, to enable it to fulfill its roles and responsibilities and respond to the needs of the organization based on the evolving business environment and strategic direction.</p>	COMPLIANT	<p>As shown in the Directors' Profile in Philam Life's 2020 Annual Report, the board consists of members from diverse but relevant background. The Board's non-executive directors, apart from their extensive insurance background likewise have lengthy experiences in the field of actuarial (Chairman of the Board, Mr Jacky Chan), risk (Ms Jane Plunkett), insurance (Kelvin Ang), and legal (Mr. Mitchell New), to name a few. The company's independent directors, Mr. Francis Estrada, Mr. Antonino Aquino, Ms Doris Magsaysay Ho and Mr. Joaquin Quintos are seasoned and multi-awarded directors who have served either as senior executives or as board member of several public and private enterprises within the country or abroad in diverse industries.</p> <p><See Annual Report pages 39-42, Board of Directors' Profile></p>	N/A
<p>Recommendation 1.2 The Board should be composed of a majority of non-executive directors who possess the necessary qualifications to effectively participate and help secure objective, independent judgment on company affairs and to substantiate proper checks and balances.</p>	COMPLIANT	<p>The following are board members of the company:</p> <ol style="list-style-type: none"> 1. Mr. Wing Shing (Jacky) Chan, AIA Regional Chief Executive -Non-Executive Director, Chairman of the Board 2. Mr. Chee Keong (Kelvin) Ang - Chief Executive Officer, Executive Director 3. Mr. Mitchell New -Non-Executive Director 4. Ms. Jayne Plunkett - Non-Executive Director 5. Mr. Antonino T. Aquino - Independent Director 6. Mr. Francis G. Estrada - Lead Independent Director 7. Ms. Doris Magsaysay Ho - Independent Director 8. Mr. Joaquin E. Quintos, IV - Independent Director <p>As shown, the company has only one (1) executive director and all others are independent or non-executive directors.</p> <p><See Annual Report pages 39-42, Board of Directors' Profile></p>	N/A
<p>Recommendation 1.3 The Company should provide in its Board Charter or Manual of Corporate Governance a policy on the training of directors, including an orientation program for first-time directors and relevant annual continuing training for all directors.</p>	COMPLIANT	<p>The Revised Corporate Governance Policy and Procedure Manual (RCGM) was approved in a board meeting last 21 October 2020 where policy on training and training topics in accordance with IC CL 2020-71 were institutionalized.</p> <p><See Revised Corporate Governance and Procedure Manual></p> <p>Further, the annual continuing board training was conducted last 9 December 2020 and 17 December 2020 for the 4-hour training on mandatory topics as provided for in IC CL 2020-71.</p> <p><See Annual Report, page 38, IC-Mandated Annual Continuing Training for the Board></p>	N/A
<p>Recommendation 1.4 The Board should have a policy on board diversity.</p>	COMPLIANT	<p>The Board approved the company's Board Diversity Policy last 21 October 2020.</p> <p><See Annual Report, page 35, Board Diversity Policy></p>	N/A

<p>Recommendation 1.5 The Board should ensure that it is assisted in its duties by a Corporate Secretary, who should be a separate individual from the Compliance Officer. The Corporate Secretary should not be a member of the Board of Directors and should attend annually a training on corporate governance.</p>	<p>COMPLIANT</p>	<p>The Company's Corporate Secretary is a fellow of the Institute of Corporate Directors and a lawyer by profession. She is assisted by the Assistant Corporate Secretary who is also a lawyer. She is not the Compliance Officer and is not a member of the Board. She likewise attended the annual continuing board training together with the Board.</p> <p><See Annual Report page 43, Board Support></p>	<p>N/A</p>
<p>Recommendation 1.6 The Board should ensure that it is assisted in its duties by a Compliance Officer who should have a rank of Vice President or an equivalent position with adequate stature and authority in the corporation. The Compliance Officer should not be a member of the Board of Directors and should annually attend a training on corporate governance.</p>	<p>COMPLIANT</p>	<p>The Company's Chief Compliance Officer (CCO), Ms Maria Cristina Helena G. Samaniego, is a senior officer with a rank of Senior Vice President and is a member of the company's Executive Committee. Ms. Samaniego is not a member of the Board. She attended the corporate governance training last September 8-9, 2020 conducted by the Institute of Corporate Directors.</p> <p><See Annual Report page 43, Board Support></p>	<p>N/A</p>
<p>PRINCIPLE 2: ESTABLISHING CLEAR ROLES AND RESPONSIBILITIES OF THE BOARD The fiduciary roles, responsibilities and accountabilities of the Board as provided under the law, the company's articles and by-laws and other legal pronouncement and guidelines should be clearly made known to all directors as well as shareholders and other stakeholders</p>			
<p>Recommendation 2.1 The Board members should act on a fully informed basis, in good faith with due diligence and care, and in the best interest of the company and shareholders</p>	<p>COMPLIANT</p>	<p>To ensure that Board members are fully informed, the agenda and papers/materials during board meetings are sent in full to the board members at least 5 days prior to the meeting. Further, management is obliged to supply the Board with adequate and reliable information in a timely manner to enable the Board to make informed decisions.</p> <p><See Board Charter></p>	<p>N/A</p>
<p>Recommendation 2.2 The Board should oversee the development of and approve the company's business objectives and strategy, and monitor their implementation, in order to sustain the company's long term-viability and strength.</p>	<p>COMPLIANT</p>	<p>As provided in the Revised Corporate Governance Policy and Procedure Manual (RCGM), one of the main responsibilities of the Board is to oversee the development of and approve on an annual or quarterly basis Business Objectives, Strategies and Capital Plans of the Company, and monitor their implementation in order to sustain the Company's long-term viability and strength. As such, these matters are part of board or committee meetings' agenda on a regular basis.</p> <p><See Revised Corporate Governance and Procedure Manual></p>	<p>N/A</p>
<p>Recommendation 2.3 The Board should be headed by a competent and qualified Chairperson.</p>	<p>COMPLIANT</p>	<p>The Chairman of the Board is Mr. Jacky Chan. Mr Chan is a non-executive director of the company and is the incumbent AIA Regional Chief Executive. He has extensive industry experience having worked with the parent company for the past 32 years. He is a Fellow of the Society of Actuaries (MAAA) and a Fellow of Canadian Institute of Actuaries (CIA).</p> <p><See Annual Report, page 39, Board of Directors Profile, Jacky Chan></p>	<p>N/A</p>
<p>Recommendation 2.4 The Board should be responsible for ensuring and adopting an effective succession planning program for directors, key officers and management to ensure growth and continued increase in the shareholders' value. This should include adopting a policy on the retirement age for directors, and key officers as part of management succession and to promote dynamism in the company.</p>	<p>COMPLIANT</p>	<p>The Board approved the company's Annual Organization People Review (OPR) to ensure succession planning for key officers and management.</p> <p>Further, the Board approved the Retirement Age Policy that provides, among others, for maximum tenure for independent directors to be aligned with local regulations; for retirement age of directors other than independent, key officers and employees; and, for the procedures for their retirement.</p> <p><See Annual Report, page 35, Retirement Age Policy></p>	<p>N/A</p>
<p>Recommendation 2.5 The board should be able to formulate a policy specifying the relationship between remuneration and performance of key officers and board members which should be aligned with long term interests of the company. Further, no director should participate in discussions or deliberations involving his own remuneration.</p>	<p>COMPLIANT</p>	<p>The Board approved the company's Remuneration Policy which ensures that the Board' and senior management' remuneration programs are designed to be market competitive, fully compliant with local regulations, and foster a strong performance-oriented culture within an appropriate risk management framework.</p> <p><See Annual Report, page 35, Remuneration Policy></p>	<p>N/A</p>

<p>Recommendation 2.6 The board should have and disclose in its Manual of Corporate Governance a formal and transparent board nomination and election policy that should include how it accepts nominations from minority shareholders and reviews nominated candidates.</p>	<p>COMPLIANT</p>	<p>The formal process for board nomination and election are stated in the company's Revised Manual of Corporate Governance Policy and Procedure Manual (RCGM). It provides, among others, that election and/or appointments to the Company's Board of Directors shall be made on merit and subject to objective criteria. In the nomination and election process, the Board and the shareholders shall review and evaluate the qualifications of all persons nominated in the Board, including whether the candidates:</p> <ol style="list-style-type: none"> 1) possess the knowledge, skills, competence, and experience, in terms of management capabilities, preferably in the field of insurance or insurance-related disciplines. 2) in the case of non-executive independent directors, independence of mind given their responsibilities to the Board and considering the Company's business and risk profile. 3) have a record of integrity, credibility, and good repute. 4) have sufficient time to carry out their responsibilities; and 5) have the ability to promote a smooth interaction between board members. <p>In searching for qualified candidates, the Company may resort to the use of professional search firms or external sources. xxx All directors shall be subject to election by the shareholders (including minority) of the Company at the annual stockholders' meeting after their nomination, and to be re-elected thereafter on an annual basis.</p> <p><See Revised Corporate Governance Policy and Procedure Manual></p>	<p>N/A</p>
<p>Recommendation 2.7 The Board should have overall responsibility in ensuring that there is a group-wide policy and system governing related party transactions (RPTs) and other unusual or infrequent occurring transactions, particularly those which pass certain thresholds of materiality. The policy should include the appropriate review and approval of material or significant RPTs, which guarantee fairness and transparency of the transactions. The policy should include the appropriate review and approval of material or significant RPTs, which guarantee fairness and transparency of the transactions. The policy should encompass all entities within the group, taking into account their size, structure, risk profile and complexity of operations.</p>	<p>COMPLIANT</p>	<p>The RPT Policy of the company sets forth the necessary control system to ensure effective management of RPTs. It requires that all RPTs should be on a normal commercial term, at arm's length and fair and reasonable in the interest of the company. Material RPTs are submitted to the Regulatory and Compliance Committee (RCC) for endorsement to the Audit and RPT Board Committee (ARBC) then to the Board and stockholders for confirmation or approval. RPTs below the materiality threshold are subject for approval by the RCC and confirmation by the ARBC.</p> <p><See Annual Report, page 45, Related Party Transaction></p>	<p>N/A</p>
<p>Recommendation 2.8 The Board should be primarily responsible for approving the selection and assessing the performance of the Management led by the Chief Executive Officer (CEO) and control functions led by their respective heads (Chief Risk Officer, Chief Compliance Officer, and Chief Audit Executive).</p>	<p>COMPLIANT</p>	<p>As provided in the Company's Revised Corporate Governance Policy and Procedure Manual (RCGM), it is the Board's primary duty to approve the selection and assessment of the performance of the Management led by the Chief Executive Officer (CEO), and control functions led by their respective heads (Chief Risk Officer, Chief Compliance Officer, and Head of Internal Audit).</p> <p>The evaluation forms for the Board, the Committees, and key officers above are likewise uploaded on website.</p> <p><See Revised Corporate Governance Policy and Procedure Manual> <See Annual Performance Evaluation Surveys></p>	<p>N/A</p>
<p>Recommendation 2.9 The Board should establish an effective performance management framework that will ensure that the management, including the Chief Executive Officer, and the personnel's performance is at par with the standards set by the Board and Senior Management.</p>	<p>COMPLIANT</p>	<p>The Board has approved the company's Performance Development Dialogue (PDD) ensuring that performance of all officers and employees are in accordance with the goals and objectives of the company. PDD also aims to encourage employees to actively participate in the realization of the company's goals and governance by aligning individual goals of employees with the company strategic goals.</p> <p><See Annual Report, page 38, Annual Organization People Review and Performance Development Dialogue></p>	<p>N/A</p>
<p>Recommendation 2.10 The Board should oversee that an appropriate internal control system is in place, including setting up a mechanism for monitoring and managing potential conflicts of interest of Management, board members, and shareholders. The Board should also approve the Internal Audit Charter.</p>	<p>COMPLIANT</p>	<p>Management is mandated to present to the Board through the Audit and RPT Committee, on a regular basis, Internal Audit Report, Compliance Report, RPTs, and Major Litigation Update.</p> <p><See Audit and RPT Committee Charter, pages 6 & 10-12></p> <p>The Board further approved the Company's Internal Audit Charter last 16 December 2020.</p> <p><See Annual Report, page 35, Internal Audit Charter></p>	<p>N/A</p>

<p>Recommendation 2.11 The Board should oversee that a sound enterprise risk management (ERM) framework is in place to effectively identify, monitor, assess and manage key business risks. The risk management framework should guide the Board in identifying units/business lines and enterprise-level risk exposures, as well as the effectiveness of risk management strategies.</p>	<p>COMPLIANT</p>	<p>The company has Risk and Compliance Office headed by the Chief Risk Officer (CRO) and Chief Compliance Officer who administers the company's ERM with the company's Board Risk Committee maintaining oversight of the risk functions. The company operates using the three lines of defense model in running its Risk Management Framework (RMF). The model defines primary risk ownership by the business areas to drive a strong culture of ethics and accountability in the way business is conducted day to day. In this way, risks are identified and mitigated immediately as they emerge.</p> <p><See Annual Report, page 43, Board Support> <See Annual Report, pages 50 - 52, Enterprise Risk Management></p>	<p>N/A</p>
<p>Recommendation 2.12 The Board should have a Board Charter that formalizes and clearly states its roles, responsibilities, and accountabilities in carrying out its fiduciary duties. The Board Charter should serve as a guide to the directors in the performance of their functions and should be publicly available and posted on the company's website.</p>	<p>COMPLIANT</p>	<p>The company's Board Charter was approved by the Board last 21 October 2020.</p> <p><See Board Charter></p>	<p>N/A</p>
<p>PRINCIPLE 3. ESTABLISHING BOARD COMMITTEES Board committees should be set up to the extent possible to support the effective performance of the Board's functions, particularly with respect to audit, risk management, related party transactions, and other key corporate governance concerns, such as nomination and remuneration. The composition, functions and responsibilities of all committees established should be contained in a publicly available Committee Charter.</p>			
<p>Recommendation 3.1 The Board should establish board committees that focus on specific board functions to aid in the optimal performance of its roles and responsibilities.</p>	<p>COMPLIANT</p>	<p>The company's Board Committees, among others, are:</p> <ol style="list-style-type: none"> 1. Audit & Related Party Transactions Committee <See Audit & RPT Committee Charter> 2. Corporate Governance Committee <See Corporate Governance Committee Charter> 3. Board Risk Committee <See Board Risk Committee> 	<p>N/A</p>
<p>Recommendation 3.2 The Board should establish an Audit Committee to enhance its oversight capability over the company's financial reporting, internal control system, internal and external audit processes, and compliance with applicable laws and regulations. The committee should be composed of at least three appropriately qualified non-executive directors, the majority of whom, including the Chairman, should be independent. All of the members of the committee must have relevant background, knowledge, skills, and/or experience in the areas of accounting, auditing and finance. The Chairman of the Audit Committee should not be the chairman of the Board or of any other committees.</p>	<p>COMPLIANT</p>	<p>The company's Audit and RPT Committee is composed of the following independent directors:</p> <ol style="list-style-type: none"> 1. Mr. Antonino T. Aquino - independent director (Chair) 2. Mr. Joaquin E. Quintos, IV - independent director 3. Mr. Francis Estrada - independent director <p>All members of the Committee are independent directors.</p> <p><See Audit and RPT Committee Charter> <See Annual Report, page 34, Tables of Committee Memberships></p>	<p>N/A</p>
<p>Recommendation 3.3 The Board should establish a Corporate Governance Committee that should be tasked to assist the Board in the performance of its corporate governance responsibilities, including the functions that were formerly assigned to a Nomination and Remuneration Committee. It should be composed of at least three members, majority of whom should be independent directors, including the Chairman.</p>	<p>COMPLIANT</p>	<p>Pursuant to IC CL 2020-71, the Board has approved the establishment of the Corporate Governance Committee merging into it the duties and responsibilities of the former Nomination and Remuneration Committee. In compliance with the IC CL 2020-71, the Corporate Governance Committee members are:</p> <ol style="list-style-type: none"> 1. Ms Doris Ho, independent director - Committee Chair 2. Mr Joaquin Quintos, independent director - Member 3. Mr Mitchell New, non-executive director – Member. <p>Majority of the members are independent directors.</p> <p><See Corporate Governance Charter> <See Annual Report, page 34, Tables of Committee Memberships></p>	<p>N/A</p>

<p>Recommendation 3.4 Subject to a corporation's size, risk profile and complexity of operations, the Board should establish a separate Board Risk Oversight Committee (BROC) that should be responsible for the oversight of a company's Enterprise Risk Management system to ensure its functionality and effectiveness. The BROC should be composed of at least three members, the majority of whom should be independent directors, including the Chairman. The Chairman should not be the Chairman of the Board or of any other committee. At least one member of the committee must have relevant thorough knowledge and experience on risk and risk management.</p>	<p>COMPLIANT</p>	<p>The Board has an existing Board Risk Committee (BROC) which has oversight of the company's Enterprise Risk Management system. In compliance with IC CL2020-71, the members of the BROC are as follows:</p> <ol style="list-style-type: none"> 1. Mr Francis Estrada, independent director - Committee Chair 2. Ms Dorris Ho, independent director - Member 3. Mr Tony Aquino, independent director - Member 4. Mr Kelvin Ang, executive director - Member 5. Ms Jayne Plunkett, non-executive director – Member <p>Mr. Estrada is not the chairman of the board or any other committee. Ms Plunkett has experience on risk management being the incumbent Group Risk Officer of the company's parent company, AIA Group Ltd.</p> <p><See Annual Report, page 34, Tables of Committee Memberships, Board Risk Committee></p>	<p>N/A</p>
<p>Recommendation 3.5 Subject to a corporation's size, risk profile and complexity of operations, the board should establish a Related Party Transaction (RPT) Committee, which should be tasked with reviewing all material related party transactions of the company and should be composed of at least three non-executive directors, majority of whom should be independent, including the Chairman.</p>	<p>COMPLIANT</p>	<p>The Board has an existing Audit and RPT Committee, whose task among others based on its Charter, is to review related party transactions of the Company. The members of the Committee are as follows:</p> <ol style="list-style-type: none"> 1.Mr. Antonino T. Aquino - independent director (Chair) 2. Mr. Joaquin E. Quintos, IV - independent director 3. Mr. Francis Estrada - independent director <p><See Audit and RPT Committee Charter> <See Annual Report, page 34, Tables of Committee Memberships, Audit and RPT Committee></p>	<p>N/A</p>
<p>Recommendation 3.6 All established committees should be required to have Committee Charters stating in plain terms their respective purposes, memberships, structures, operations, reporting processes, resources and other relevant information. The Charters should provide the standards for evaluating the performance of the Committees. It should also be fully disclosed on the company's website.</p>	<p>COMPLIANT</p>	<p>The committee charters - Audit and RPT Committee, Board Risk Committee, Corporate Governance Committee - are posted on company website.</p> <ol style="list-style-type: none"> 1. Audit & Related Party Transactions Committee - <See Audit & RPT Committee Charter> 2. Corporate Governance Committee - <See Corporate Governance Committee Charter> 3. Board Risk Committee - <See Board Risk Committee> 	<p>N/A</p>
<p>PRINCIPLE 4: FOSTERING COMMITMENT To show full commitment to the company, the directors should devote the time and attention necessary to properly and effectively perform their duties and responsibilities, including sufficient time to be familiar with the corporation's business.</p>			
<p>Recommendation 4.1 The directors should attend and actively participate in all meetings of the Board, Committees, and Shareholders in person or through tele/videoconferencing conducted in accordance with the rules and regulations of the Commission, except when justifiable causes, such as, illness, death in the immediate family and serious accidents, prevent them from doing so. In Board and Committee meetings, the director should review meeting materials and if called for, ask the necessary questions or seek clarifications and explanations.</p>	<p>COMPLIANT</p>	<p>For 2020, the Board of Directors had a total of seven (7) meetings where the Board posted an overall attendance rate of 91.27%.</p> <p><See Annual Report, page 33, Board Meetings in 2020></p>	<p>N/A</p>
<p>Recommendation 4.2 The non-executive directors of the Board should concurrently serve as directors to a maximum of five Insurance Commission Regulated Entities and Publicly Listed Companies to ensure that they have sufficient time to fully prepare for meetings, challenge Management's proposals/views, and oversee the long-term strategy of the company</p>	<p>COMPLIANT</p>	<p>The company's Revised Code of Corporate Governance Policy and Procedure Manual (RCGM) provides for optimum number of directorships. It mandates that non-executive directors can only serve as directors to a maximum of 5 publicly listed companies. All directors are also required to disclose their incumbent directorship or before accepting a new directorship in another company.</p> <p><See Revised Corporate Governance Policy and Procedure Manual></p> <p>Moreover, NEDs directorships in any company and affiliations are declared in their respective biographical data submitted annually to the Insurance Commission.</p>	<p>N/A</p>

<p>Recommendation 4.3 A director should notify the Board where he/she is an incumbent director before accepting a directorship in another company.</p>	<p>COMPLIANT</p>	<p>As stated in the immediately preceding row.</p>	<p>N/A</p>
<p>PRINCIPLE 5. REINFORCING BOARD INDEPENDENCE The board should endeavor to exercise an objective and independent judgment on all corporate affairs.</p>			
<p>Recommendation 5.1 The Board should be composed of at least twenty percent (20%) independent directors</p>	<p>COMPLIANT</p>	<p>The following are board members of the company:</p> <ol style="list-style-type: none"> 1. Mr. Wing Shing (Jacky) Chan AIA Regional Chief Executive -Non-Executive Director, Chairman of the Board 2. Mr. Chee Keong (Kelvin) Ang - Executive Director, Chief Executive Officer 3. Mr. Mitchell New -Non-Executive Director 4. Ms. Jayne Plunkett - Non-Executive Director 5. Mr. Antonino T. Aquino - Independent Director 6. Mr. Francis G. Estrada - Lead Independent Director 7. Ms. Doris Magsaysay Ho - Independent Director 8. Mr. Joaquin E. Quintos, IV - Independent Director <p>As shown, the Board is composed of 50% independent directors.</p> <p><See Annual Report, pages 40 -42, Board of Directors' Profile></p>	<p>N/A</p>
<p>Recommendation 5.2 The Board should ensure that its independent directors possess the necessary qualifications and none of the disqualifications for an independent director to hold the position.</p>	<p>COMPLIANT</p>	<p>The company's independent directors, Mr. Francis Estrada, Mr. Antonino Aquino, Ms Doris Magsaysay Ho and Mr. Joaquin Quintos are seasoned and multi-awarded directors who have served either as senior executives or as board member of several public and private enterprises within the country or abroad in diverse industries. Even so, none of their past background and affiliations can pose any material conflict of interest nor affect their independent judgement as board member of the company since they have not been connected with the company or any of its subsidiaries and affiliates in the past or present except as such independent director.</p> <p><See Annual Report, page 40-42, Board of Directors' Profile></p>	<p>N/A</p>
<p>Recommendation 5.3 The Board's independent directors should serve for a maximum cumulative term of nine years. After which, the independent director should be perpetually barred from re- election as such in the same company but may continue to qualify for nomination and election as a non-independent director. In the instance that a company wants to retain an independent director who has served for nine years, the Board should provide meritorious justification/s and seek shareholders' approval during the annual shareholders' meeting.</p>	<p>COMPLIANT</p>	<p>None of the independent directors exceed the 9-year term (reckoned from 02 January 2015).</p> <p><See Annual Report, pages 40-42, Board of Directors' Profile></p>	<p>N/A</p>
<p>Recommendation 5.4 The positions of Chairman of the Board and Chief Executive Officer should be held by separate individuals and each should have clearly defined responsibilities.</p>	<p>COMPLIANT</p>	<p>The Company's CEO is Mr Kelvin Ang while the Chairman of the Board is Mr Jacky Chan.</p> <p><See Annual Report, page 39, Board of Directors' Profile></p> <p>Their responsibilities as defined in the company's Revised Code of Corporate Governance are distinct and separate.</p> <p><See Revised Corporate Governance Policy and Procedure Manual></p>	<p>N/A</p>
<p>Recommendation 5.5 The Board should designate a lead director among the independent directors if the Chairman of the Board is not independent, including if the positions of the Chairman of the Board and Chief Executive Officer are held by one person.</p>	<p>COMPLIANT</p>	<p>Mr. Francis Estrada was appointed as Lead Independent Director last 21 October 2020 board meeting.</p> <p><See Annual Report, page 41, Board of Directors' Profile></p>	<p>N/A</p>

<p>Recommendation 5.6 A Director with a material interest in any transaction affecting the corporation should abstain from taking part in the deliberations for the same.</p>	<p>COMPLIANT</p>	<p>The requirement is stated in the company's RPT Policy and is being complied with (if any). <See Annual Report, pages 45, 53-54, Related Party Transaction></p>	<p>N/A</p>
<p>Recommendation 5.7 The non-executive directors (NEDs) should have separate periodic meetings with the external auditor and heads of the internal audit, compliance and risk functions, without any executive directors present to ensure that proper checks and balances are in place within the corporation. The meetings should be chaired by the lead independent director.</p>	<p>COMPLIANT</p>	<p>As provided in the Revised Code of Corporate Governance Policy and Procedure Manual (RCGM), the non-executive and independent directors are encouraged to have separate periodic meetings with the External Auditor, Head of Internal Audit, and Head of Risk and Compliance without the presence of the executive director. The meeting is to be chaired by the lead independent director. <See Revised Corporate Governance Policy and Procedure Manual></p>	<p>N/A</p>
<p>Principle 6. Assessing Board Performance The best measure of the Board's effectiveness is through an assessment process. The Board should regularly carry out evaluations to appraise its performance as a body, and assess whether it possesses the right mix of backgrounds and competencies.</p>			
<p>Recommendation 6.1 The Board should conduct an annual assessment of its performance, including the performance of the Chairman, individual members and committees. Every three years, the assessment may be supported by an external facilitator.</p>	<p>COMPLIANT</p>	<p>As provided in the Revised Code of Corporate Governance Policy and Manual (RCGM), a formal and rigorous evaluation of the performance of the Board, its Committees, the Board Chairman, CEO, and individual directors shall be taken annually. The Corporate Secretary shall provide the necessary support to the Board in conducting the evaluation, but the Board may consider engaging an external facilitator once every 3 years. <See Revised Corporate Governance Policy and Procedure Manual> <See Annual Performance Evaluation Surveys></p>	<p>N/A</p>
<p>Recommendation 6.2 The Board should have in place a system that provides, at the minimum, criteria and process to determine the performance of the Board, the individual directors, committees and such system should allow for a feedback mechanism from the shareholders.</p>	<p>COMPLIANT</p>	<p>Performance evaluation of the Board, CEO, individual directors, and Committees is to be undertaken annually. The result of which is to be presented to the shareholders for their comments. The company further appointed the Corporate Secretary as the Chief Investor Relations Officer who may act as point of contact for shareholders to raise their concerns. <See Revised Corporate Governance Policy and Procedure Manual></p>	<p>N/A</p>
<p>Principle 7. Strengthening Board Ethics Members of the Board are duty-bound to apply high ethical standards, taking into account the interests of all stakeholders.</p>			
<p>Recommendation 7.1 The Board should adopt a Code of Business Conduct and Ethics, which would provide standards for professional and ethical behavior, as well as articulate acceptable and unacceptable conduct and practices in internal and external dealings. The Code should be properly disseminated to the Board, senior management and employees. It should also be disclosed and made available to the public through the company website.</p>	<p>COMPLIANT</p>	<p>The company has a Code of Conduct which all employees are required to certify their faithful compliance on an annual basis. The Code is posted on company website. <See Code of Conduct></p>	<p>N/A</p>
<p>Recommendation 7.2 The Board should ensure the proper and efficient implementation and monitoring of compliance with the Code of Business Conduct and Ethics and internal policies</p>	<p>COMPLIANT</p>	<p>The company annually conducts Code of Conduct certification exercise. The company also maintain an Ethics Hotline where its stakeholders may anonymously raise their concerns and appropriate investigation are in place to ensure that ethical concerns and/or violations of legal, regulatory, and internal policies or guidelines are properly dealt with. Any major issues or findings are part of the quarterly Compliance Report, Audit Report, Major Litigation Update, etc., to the Board as endorsed by the Audit and RPT Committee. <See Code of Conduct> <See Audit and RPT Committee Charter> <See also Annual Report, page 44, Code of Conduct Annual Certification></p>	<p>N/A</p>
<p>DISCLOSURE AND TRANSPARENCY</p>			
<p>Principle 8. Enhancing Company Disclosure Policies and Procedures The company should establish corporate disclosure policies and procedures that are practical and in accordance with best practices and regulatory expectations.</p>			

<p>Recommendation 8.1 The Board should establish corporate disclosure policies and procedures to ensure a comprehensive, accurate, reliable, and timely report to shareholders and other stakeholders that gives a fair and complete picture of a company's financial condition, results and business operations.</p>	<p>COMPLIANT</p>	<p>The Board approved the company's Financial Disclosure Policy last 16 December 2020. The Policy sets out the company's approach to disclosure of financial information in order to give a complete picture of the company's financial standing and results of business operations to stakeholders. It states that the company shall fully abide by legal and regulatory mandates on financial reporting standards and disclosures of financial information.</p> <p><See Annual Report, page 35, Financial Disclosure Policy></p>	<p>N/A</p>
<p>Recommendation 8.3 The Board should fully disclose all relevant and material information on individual board members and key executives to evaluate their experience and qualifications and assess any potential conflicts of interest that might affect their judgment.</p>	<p>COMPLIANT</p>	<p>Information about individual directors and senior management are publicly available through the company's website or the annual report. They are also required to undergo annual Code of Conduct and Related Party Transaction (RPT) certifications. All directors and key officers (Vice President level and up) submit to the Insurance Commission (IC) their individual biographical data which provide complete information about their own or immediate family's affiliations that enable regulator to assess any potential conflict of interests.</p> <p><See Annual Report, pages 39-43, Board of Directors' Profile, Board Support> <See website/About Us/Our Management Team> <See Annual Report, page 44, Code of Conduct Annual Certification; Conflict of Interest></p>	<p>N/A</p>
<p>Recommendation 8.4 The company should provide a clear disclosure of its policies and procedure for setting Board and executive remuneration, as well as the level and mix of the same in the Annual Corporate Governance Report consistent with ASEAN Corporate Governance Scorecard (ACGS) and the Revised Corporation Code. Also, companies should disclose the remuneration on an individual basis, including termination and retirement provisions.</p>	<p>COMPLIANT</p>	<p>The Board approved last 21 October 2020 the Remuneration Policy which provides that Board remuneration should be designed to be market competitive and their allowances aligned with market practices and fully compliant with regulations. Components of executive remuneration consisting of guaranteed and variable components that reward performance and value creation are likewise detailed in the Policy. Details of individual directors' remuneration and key officer (CEO) are provided in the Annual Report.</p> <p><See Annual Report, page 35, Remuneration Policy></p>	
<p>Recommendation 8.5 The company should disclose its policies governing Related Party Transactions (RPTs) and other unusual or infrequently occurring transactions. The material or significant RPTs should be reviewed and approved by the Board and submitted for confirmation by majority vote of the stockholders in the annual stockholders' meeting. All material or significant RPTs for the year should be disclosed in its Annual Company Report or Annual Corporate Governance Report.</p>	<p>COMPLIANT</p>	<p>A summary of the RPT Policy is disclosed in the Annual Report. Actual RPTs including significant or material RPTs (if any) are disclosed through the company's Audited Financial Statements as provided in the Annual Report after the same has been approved by the Board and confirmed by majority stockholders during the annual meeting.</p> <p><See Annual Report, pages 45-46 Related Party Transactions> <See Annual Report, pages 53-54, Related Party Transactions Policy> <See Annual Report, pages 62-63, Audited Financial Statements, Related Party Transactions></p>	<p>N/A</p>
<p>Recommendation 8.6 The company's corporate governance policies, programs and procedures should be contained in its Manual on Corporate Governance, which should be submitted to the regulators and posted on the company's website.</p>	<p>COMPLIANT</p>	<p>Pursuant to IC CL 2020-71, the Board revised and approved last 21 October 2020 its Revised Corporate Governance Policy and Procedure Manual (RCGM) which articulates the company's corporate governance policy, framework, programs, and procedures. The RCGM is also posted on company's website.</p> <p><See Revised Corporate Governance and Procedure Manual></p>	<p>N/A</p>
<p>Principle 9. Strengthening the External Auditor's Independence and Improving Audit Quality The company should establish standards for the appropriate selection of an external auditor, and exercise effective oversight of the same to strengthen the external auditor's independence and enhance audit quality</p>			
<p>Recommendation 9.1 The Audit Committee should have a robust process for approving and recommending the appointment, reappointment, removal, and fees of the external auditor. The appointment, reappointment, removal, and fees of the external auditor should be recommended by the Audit Committee, approved by the Board and ratified by the shareholders. For removal of the external auditor, the reasons for removal or change should be disclosed to the regulators and the public through the company website and required disclosures.</p>	<p>COMPLIANT</p>	<p>The Revised Manual of Corporate Governance (RCGM) provides that in order to maintain the external auditor's independence and audit quality, the Audit and RPT Committee maintains oversight of the same. Appointment, removal, and fees of external auditors shall pass through the Audit and RPT Committee for approval and endorsement to the Board. In case of removal, such fact and the reason thereof is to be reported to the IC and disclosed publicly.</p> <p><See Revised Corporate Governance and Procedure Manual> <See Audit and RPT Committee Charter></p>	<p>N/A</p>

<p>Recommendation 9.2 The Audit Committee Charter should include the Audit Committee's responsibility on assessing the integrity and independence of external auditors and exercising effective oversight to review and monitor the external auditor's independence and objectivity and the effectiveness of the audit process, taking into consideration relevant Philippine professional and regulatory requirements. The Charter should also contain the Audit Committee's responsibility on reviewing and monitoring the external auditor's suitability and effectiveness on an annual basis.</p>	<p>COMPLIANT</p>	<p>The Audit and RPT Committee Charter defines the committee's relationship with the external auditor/s. The charter provides that the Committee in performing oversight functions over the external auditor shall annually review and monitor the external auditor/s technical competence, independence, and effectiveness in accordance with rules and regulations, evaluate non-audit work and fees disallowing non-audit work that will conflict with their independence and disclosing non-audit work publicly. The Committee shall also discuss with the external auditor before commencement of audit, the nature and scope of audit, etc., including the problems and reservations arising from the interim and final audits and any other matters which the external auditor may wish to discuss.</p> <p><See Audit and RPT Committee Charter></p>	<p>N/A</p>
<p>Recommendation 9.3 The company should disclose the nature of non-audit services performed by its external auditor in the Annual Report to deal with the potential conflict of interest. The Audit Committee should be alert for any potential conflict of interest situations, given the guidelines or policies on non-audit services, which could be viewed as impairing the external auditor's objectivity.</p>	<p>COMPLIANT</p>	<p>Audit and non-audit work (if any) performed by the external auditor are presented to the Audit and RPT Committee. If there are any non-audit work, the Committee shall evaluate and disallow non-audit work that will conflict with their independence. These non-audit work, if allowed, are likewise required to be disclosed in the Annual Report of the company.</p> <p><See Audit and RPT Committee Charter> <See Annual Report, page 53, Engagement of External Auditors></p>	<p>N/A</p>
<p>Principle 10. Increasing Focus on Non-Financial And Sustainability Reporting The company should ensure that the material and reportable non-financial and sustainability issues are disclosed.</p>			
<p>Recommendation 10.1 The Board should have a clear and focused policy on the disclosure of non-financial information, with emphasis on the management of economic, environmental, social and governance (EESG) issues of its business, which underpin sustainability. Companies should adopt a globally recognized standard/framework in reporting sustainability and nonfinancial issues.</p>	<p>COMPLIANT</p>	<p>The Board approved the Company's ESG Disclosure Policy which provides that the company shall align its ESG effort with that of its parent company, AIA Group Limited, and relevant local laws and regulations. Full report on the company's ESG effort is disclosed in the Annual Report.</p> <p><See Annual Report, page 35, Environment, Social and Governance (ESG) Disclosure Policy> <See ESG Report 2020></p>	<p>N/A</p>
<p>Principle 11. Promoting A Comprehensive and Cost-Efficient Access To Relevant Information The company should maintain a comprehensive and cost-efficient communication channel for disseminating relevant information. This channel is crucial for informed decision-making by investors, stakeholders and other interested users.</p>			
<p>Recommendation 11.1 The company should have a website to ensure a comprehensive, cost efficient, transparent, and timely manner of disseminating relevant information to the public.</p>	<p>COMPLIANT</p>	<p>www.philamlife.com</p>	<p>N/A</p>
<p style="text-align: center;">INTERNAL CONTROL SYSTEM AND RISK MANAGEMENT FRAMEWORK</p>			
<p>Principle 12. Strengthening The Internal Control System And Enterprise Risk Management Framework to ensure the integrity, transparency and proper governance in the conduct of its affairs, the company should have a strong and effective internal control system and enterprise risk management framework.</p>			
<p>Recommendation 12.1 The Company should have an adequate and effective internal control system and an enterprise risk management framework in the conduct of its business, taking into account its size, risk profile and complexity of operations.</p>	<p>COMPLIANT</p>	<p>The company has adopted a risk management and internal control structure based on the "three lines of defense" model with the Board, senior management as first line, Compliance and Risk functions as the second line while its Group Internal Audit as the third line of defense while all employees are expected to commit to the company's maintenance of integrity of the company's control environment.</p> <p>The functions of GIAPH include:</p> <ul style="list-style-type: none"> • Independent assessment of risks and the design, implementation and operational effectiveness of key policies, procedures, and internal controls • Assessment of reliability, integrity, and completeness of accounting, financial, management, information technology systems and risk reporting information <p><See Annual Report, page 50, Enterprise Risk Management> <See Annual Report, page 53, Group Internal Audit></p>	<p>N/A</p>

<p>Recommendation 12.2 The Company should have in place an independent internal audit function that provides an independent and objective assurance, and consulting services designed to add value and improve the company's operations.</p>	<p>COMPLIANT</p>	<p>As the third line of defense in its risk management and internal control structure, the Company has always had its independent Group Internal Audit - AIA Philam Group (GIAPH). In accordance with its internal charter, GIAPH's purpose is to assist the Board, the Audit Committee, and the executive management to protect the assets, reputation, and sustainability of the company. Its mission is to provide independent and objective assessment and reporting of the overall effectiveness of risk management, internal controls and governance processes and appropriately challenge executive management to improve the effectiveness of these processes.</p> <p>GIAPH is directly overseen and supported by AIA GIA, and functionally reports to the Audit Committee, while administratively reporting to the Chief Executive Officer. The internal audit function is not outsourced to an external firm.</p> <p><See Annual Report, page 53, Group Internal Audit> <See Annual Report, page 43, Rikka Peralta as Head of Group Internal Audit Philippines> <See Annual Report, page 35, Internal Audit Charter></p>	<p>N/A</p>
<p>Recommendation 12.3 Subject to a company's size, risk profile and complexity of operations, it should have a qualified Chief Audit Executive (CAE) appointed by the Board. The CAE shall oversee and be responsible for the internal audit activity of the organization, including that portion that is outsourced to a third party service provider. In case of a fully outsourced internal audit activity, a qualified independent executive or senior management personnel should be assigned the responsibility for managing the fully outsourced internal audit activity.</p>	<p>COMPLIANT</p>	<p>Per the Manual of Corporate Governance, the Board of Directors is required to establish an Audit Committee that will be responsible for the setting-up of an Internal Audit Department and the appointment of the internal auditors. Thus, by virtue of such mandate, the Group Internal Audit – AIA Philam Group (GIAPH) was established. Ms. Rikka C. Peralta was appropriately identified as the Head of GIAPH, who is effectively the Chief Audit Executive. Her appointment was confirmed during the Audit and RPT Committee meeting in January 2021. The Head of GIAPH, on behalf of GIAPH, is responsible for reporting the result and status of internal audit work to the Audit and RPT Committee on a regular basis. In overseeing the internal audit function, the Audit and RPT Committee is actively involved in approving the audit plan including any subsequent changes, assessing the result of audit engagements and monitoring the resolution of key issues identified. The function is not outsourced to an external firm.</p> <p><See Annual Report, page 53, Group Internal Audit> <See Annual Report, page 43, Rikka Peralta as Head of Group Internal Audit Philippines> <See Annual Report, page 35, Internal Audit Charter></p>	<p>N/A</p>
<p>Recommendation 12.4 Subject to its size, risk profile and complexity of operations, the company should have a separate risk management function to identify, assess and monitor key risk exposures.</p>	<p>COMPLIANT</p>	<p>The company has a Risk Office which administers its Risk Management Framework (RMF) on a day-to-day basis. RMF identifies, quantifies, and mitigates risk within the company and is governed by the Group Risk Management Committee (GRMC) which oversees and reviews both financial and operational risks. At grassroot level, a sub-meeting called the Functional Unit Risk Management Meeting was created to ensure that risk and compliance matters are regularly identified, assesses, and mitigated.</p> <p><See Annual Report, page 50, Enterprise Risk Management></p> <p>Further, as provided in the Board Risk Committee Charter, the Board Risk Committee maintains oversight of the company's Risk Management Framework, Risk Appetite, Risk Management Statement and Risk Management Framework, among others.</p> <p><See Board Risk Committee Charter></p>	<p>N/A</p>

<p>Recommendation 12.5 In managing the company's Risk Management System, the company should have a Chief Risk Officer (CRO), who is the ultimate champion of Enterprise Risk Management (ERM) and has adequate authority, stature, resources and support to fulfill his/her responsibilities, subject to a company's size, risk profile and complexity of operations.</p>	<p>COMPLIANT</p>	<p>The company's Risk Office is headed by Ms. Maria Cristina Helena G. Samaniego, Chief Risk Officer (CRO) who is a senior ranking officer with a rank of Senior Vice President and is part of the company's Executive Committee. She is supported in her role by the Head of Risk, Atty. Ajee A. Co.</p> <p><See Annual Report, page 43, Board Support></p>	<p>N/A</p>
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D. CULTIVATING A SYNERGIC RELATIONSHIP WITH SHAREHOLDERS

<p>Principle 13. Promoting Shareholder Rights The company should treat all shareholders fairly and equitably, and also recognize, protect and facilitate the exercise of their rights</p>			
<p>Recommendation 13.1 The Board should ensure that basic shareholder rights are disclosed in the Manual on Corporate Governance and on the company's website'</p>	<p>COMPLIANT</p>	<p>The company's Revised Code of Corporate Governance Policy and Procedure Manual (RCGM) provides that it shall ensure that shareholders are aware and shall allow shareholders to reasonably exercise their basic rights which include: the right to receive dividends in an equitable and timely manner; pre-emptive rights; right to inspect corporate books; right to financial statements; right to participate in decisions concerning fundamental corporate changes; right to propose the holding of meetings and to include agenda items ahead of the scheduled annual and special shareholders' meetings; right to nominate candidates to the Board; and right to notice and to participate effectively in and vote in shareholder's meetings.</p> <p><See Revised Corporate Governance Policy and Procedure Manual></p>	<p>N/A</p>
<p>Recommendation 13.2 The Board should encourage active shareholder participation by sending the Notice of Annual and Special Shareholders' Meeting with sufficient and relevant information at least 21 days before the meeting.</p>	<p>COMPLIANT</p>	<p>As provided in the RCGM, the annual shareholders meeting of the Company shall be held annually on the date fixed in the Company's By-Laws. Notice of the annual meeting shall be sent to shareholders at least 21 days prior to the meeting. The notice may be sent to through electronic mail or such other manner as the SEC shall allow under its guidelines.</p> <p><See Revised Corporate Governance Policy and Procedure Manual></p>	<p>N/A</p>
<p>Recommendation 13.3 The Board should encourage active shareholder participation by making the result of the votes taken during the most recent Annual or Special Shareholders' Meeting publicly available the next working day. In addition, the Minutes of the Annual and Special Shareholders' Meeting may be available on the company website within Five (5) business days from the end of the meeting.</p>	<p>COMPLIANT</p>	<p>As provided in the RCGM, to further encourage shareholder participation, the Company shall make the result of the votes taken during the most recent Annual or Special Shareholders' Meeting available to the shareholders the next working day after the conduct of such meeting, by emailing to them a copy of the minutes of the meeting. In addition, the results of the votes and the minutes of meeting was posted on the website within one and five (5) business days from the conduct of the meeting, respectively.</p> <p><See Revised Corporate Governance Policy and Procedure Manual> <See Minutes of Annual Stockholders Meeting></p>	<p>N/A</p>
<p>Recommendation 13.4 The Board should have an alternative dispute mechanism to resolve intracorporate disputes in an amicable and effective manner. This should be included in the company's Manual on Corporate Governance.</p>	<p>COMPLIANT</p>	<p>As provided in the RCGM, the Board should also make available, at the option of the shareholder, an alternative dispute mechanism to resolve intra-corporate disputes in an amicable and effective manner. Thus, through the Corporate Secretary, shareholders shall be properly informed of the Company's processes, procedures, and remedies to address any infringement or violation of their rights.</p> <p><See Revised Corporate Governance Policy and Procedure Manual></p>	<p>N/A</p>

DUTIES TO STAKEHOLDERS

<p>Principle 14. Respecting Rights of Stakeholders And Effective Redress For Violation Of Stakeholder's Rights The rights of stakeholders established by law, by contractual relations and through voluntary commitments must be respected. Where stakeholders' right and/or interests are at stake, stakeholders should have the opportunity to obtain prompt effective redress for the violation of their rights.</p>			
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<p>Recommendation 14.1 The Board should identify the company's various stakeholders and promote cooperation between them and the company in creating wealth, growth and sustainability.</p>	<p>COMPLIANT</p>	<p>The Board has approved the Stakeholder Engagement Policy which identifies the various stakeholders of the company and defines the Stakeholders Engagement Framework.</p> <p><See Annual Report, pages 35, Stakeholder Engagement Policy></p>	<p>N/A</p>
<p>Recommendation 14.2 The Board should establish clear policies and programs to provide a mechanism on the fair treatment and protection of stakeholders.</p>	<p>COMPLIANT</p>	<p>The Board has approved various policies and programs for the protection and fair treatment of all stakeholders. These include, the AIA Code of Conduct, Data Privacy Policy and programs, AML policies and programs, Customer Commitment Standards, supplier manual for its vendors, Vitality program, Insider Trading and Market Conduct Policy, various ESG initiatives, to name a few.</p> <p><See Annual Report, pages 44-50, Operating Philosophy></p>	<p>N/A</p>
<p>Recommendation 14.3 The Board should adopt a transparent framework and process that allow stakeholders to communicate with the company and to obtain redress for the violation of their rights.</p>	<p>COMPLIANT</p>	<p>The Board has approved the Stakeholder Engagement Policy which defines the Stakeholders Engagement Framework where the company's various stakeholders were identified and the various touchpoints by which they can communicate with the company.</p> <p><See Annual Report, pages 36-37, Stakeholder Engagement Framework></p>	<p>N/A</p>
<p>Principle 15. Encouraging Employees' Participation A mechanism for employee participation should be developed to create a symbiotic environment, realize the company's goals, and participate in its corporate governance processes.</p>			
<p>Recommendation 15.1 The Board should establish policies, programs and procedures that encourage employees to actively participate in the realization of the company's goals and in its governance.</p>	<p>COMPLIANT</p>	<p>The company regularly updates the employees about various policies and information, such as those related to employee training and development, through email announcements. The company likewise holds, no less than quarterly, periodic townhalls to disseminate information on company goals and programs. Employees are thus provided opportunities to actively participate in the discussion of such matters through the company and functional townhalls, which facilitate the realization of corporate objectives and adherence to governance policies. The company values its people and wants them to grow professionally and personally during their time in the Company and encourage them to actively participate in the achievement of the company's goals and governance. Some of the programs implemented by the include:</p> <ol style="list-style-type: none"> 1) New Employee Orientation Program 2) Your Role in Safeguarding AIA's Interest 3) Manage Base Camp 4) The Best of Me Program Series 5) The AIA Manager Program 6) People Manager Accelerator Program 7) Performance Development Dialogue Series 8) I Make It Possible 2.0 9) Life Office Management Association (LOMA) 10) Mentoring Program 11) People Manager Conference 12) Leadership Launchpad Program Series 13) The AIA Manager as Coach Program 14) Enterprise Leadership Program 15) Catalyst: Online Learning Platform 16) AIA Leadership Essentials Workshop'; and 17) Communities of Practice communication. <p><See Annual Report, pages 21-23, Our People> <See Annual Report, page 38, Annual Organization People Review and Performance Development Dialogue> <See Annual Report, pages 48-49, Employee Welfare></p>	<p>N/A</p>

<p>Recommendation 15.2 The Board should set the tone and make a stand against corrupt practices by adopting an anti-corruption policy and program in its Code of Conduct. Further, the Board should disseminate the policy and program to employees across the organization through trainings to embed them in the company's culture.</p>	<p>COMPLIANT</p>	<p>Apart from the Code of Conduct, the company also has an Anti-Corruption and Bribery Policy. The Policy provides guidance on giving and accepting gifts and entertainment. It also specifies the roles, responsibilities and procedural controls for transactions involving government officials. All relevant laws countering bribery and corruption must be upheld. If local laws and regulations require higher compliance standards vis-a-vis the guidelines of the company, then the company's guidelines must meet the higher standards. The Policy prohibits all employees, agents, or independent contractors in providing bribes or other benefits to another person to obtain or retain business or unfair advantage in any business interaction involving the company, its customers, and employees. The company is not allowed to use improper means to influence another person's business judgement. All employees and officers are required to report to the Compliance Office any gift/entertainment provided to Government organizations and/or any of its officials.</p> <p><See Annual Report, page 44, Anti-Corruption and Bribery> <See Code of Conduct></p>	<p>N/A</p>
<p>Recommendation 15.3 The Board should establish a suitable framework for whistleblowing that allows employees to freely communicate their concerns about illegal or unethical practices, without fear of retaliation and to have direct access to an independent member of the Board or a unit created to handle whistleblowing concerns. The Board should be conscientious in establishing the framework, as well as in supervising and ensuring its enforcement.</p>	<p>COMPLIANT</p>	<p>The company does business with integrity and adheres to the highest ethical standards. Pursuant to the company's Whistleblowing Policy, any employee (or anyone else) may raise concerns of misconduct or wrongdoing that will trigger investigation by the company's dedicated Centralized Investigation Department or by the Group Internal Audit. This Policy guides all employees on how to raise ethical concerns. The Whistleblow Program applies to all employees within the company. 'Whistleblower' refers to someone (an employee, business partner, agent, consultant, vendor, customer or other party) who informs the company of suspected illegal or improper ways of doing business involving violation of laws, regulations, policies, and other unethical actions that might negatively impact the company's reputation. Employees who are aware of possible wrongdoing have a responsibility to disclose information to management. Reports are taken seriously and investigated confidentially. Employees or other individuals will not suffer retaliation for reporting suspected wrongdoing in good faith.</p> <p><See Annual Report, page 46, Whistleblower Protection Program></p>	<p>N/A</p>
<p>Principle 16. Encouraging Sustainability and Social Responsibility The company should be socially responsible in all its dealings with the communities where it operates. It should ensure that its interactions serve its environment and stakeholders in a positive and progressive manner that is fully supportive of its comprehensive and balanced development.</p>			

Recommendation 16.1

The company should recognize and place an importance on the interdependence between business and society, and promote a mutually beneficial relationship that allows the company to grow its business, while contributing to the advancement of the society where it operates.

COMPLIANT

The company's Code of Conduct mandates its employees to be aware and comply with social and environmental responsibilities. The company also has a corporate social responsibility arm through the Philam Foundation, Inc. (PFI). PFI has implemented programs that helped Filipinos especially during the Pandemic. These include:

1. FIRST Initiative (Frontliners Inclusive Risk Safety neT) - A free group coverage to 30,000 frontline workers in 59 hospitals nationwide affected by the COVID-19 Disease. This group coverage is free of charge for the individual and the hospital. A P 50,000 compassionate death benefit will be given to qualified frontline health worker if death is due to COVID-19:
2. Alliance for the Philippines Health and Advocacy (ALPHA) - a collaborative platform for health related programs in the country. Spearheaded by Philam Foundation in partnership with the Philippine College of Physicians and the Philippine College of Surgeons. For its first program initiative, ALPHA joins the battle against cancer from a different stance by exerting more effort on the front of epidemiology and public health, with scientifically sound research as our main weapon of choice.
3. Philam Paaralan – A program to address shortage of classrooms and provide disaster-resilient classrooms in disaster-stricken, unserved, and underserved communities in the Philippines.
4. Philam SAVES – aims to educate children and their parents and teachers on financial literacy through a workshop provided by the Foundation.

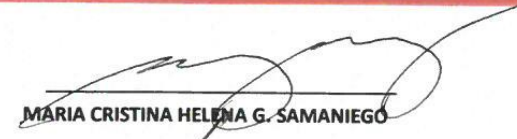
[<See Annual Report, pages 24-27, Philam Foundation>](#)

[<See ESG Report 2020>](#)

N/A

RECOMMENDED CORPORATE GOVERNANCE PRACTICE/POLICY	COMPLIANT/ NON-COMPLIANT	ADDITIONAL INFORMATION (TO SUPPORT OF CG PRACTICE/POLICY)	EXPLANATION
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CARLA J. DOMINGO
 Corporate Secretary


MARIA CRISTINA HELENA G. SAMANIEGO
 Chief Compliance Officer


ANTONINO T. AQUINO
 Independent Director


FRANCIS G. ESTRADA
 Independent Director


DORIS MAGSAYSAY HO
 Independent Director


JOAQUIN E. QUINTOS, IV
 Independent Director

WING SHING (JACKY) CHAN
 Chairman of the Board


CHEE KEONG (KELVIN) ANG
 Chief Executive Officer

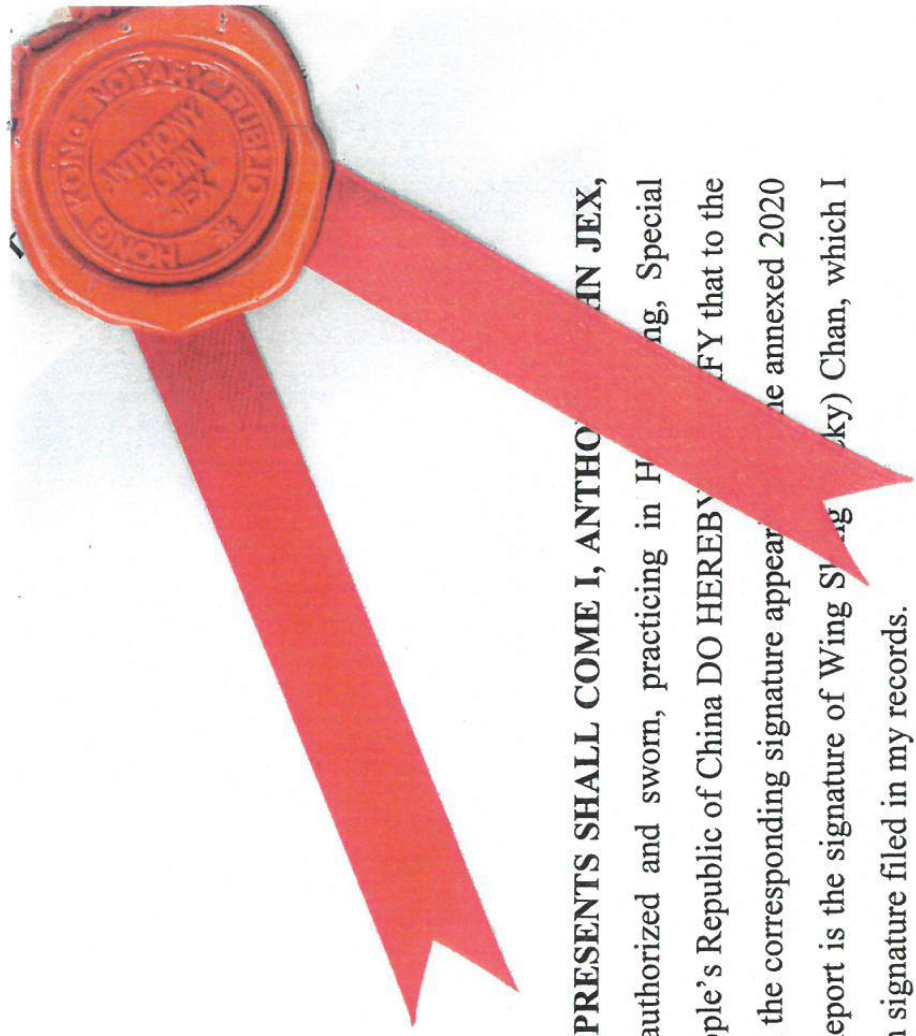
SUBSCRIBED AND SWORN TO, before me, this **MAY 19 2021** 2021 in Taguig City, Philippines, affiants exhibiting to me their government issued identification cards as follows:

NAME	ID	ID Number and Date Issued
CARLA J. DOMINGO -		
MARIA CRISTINA HELENA SAMANIEGO		
ANTONINO T. AQUINO		
FRANCIS G. ESTRADA		
DORIS MAGSAYSAY HO		
JOAQUIN E. QUINTOS, IV		
WING SHING (JACKY) CHAN		
CHEE KEONG (KELVIN) ANG		

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 Book No.:
 Series of 2021

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ATTY. EDUARDO P. BAROT
 Notary Public for Taguig, RoH No. 36248
 Commission No. 3 Until December 31, 2022
 PTR No. 4578428/01.04.21/Mandaluyong City
 IBP Lifetime Member No. 013895/06.02.15/ RSM
 MCLE Compliance No. VI-0007875 /04.14.22/
 3/F Bonifacio Technology Center 31st Street
 Corner 2nd Avenue Crescent Park West
 Global City Taguig City, Philippines



TO ALL TO WHOM THESE PRESENTS SHALL COME I, ANTHONY JOHN JEX,
Notary Public, duly admitted, authorized and sworn, practicing in Hong Kong, Special
Administrative Region of the People's Republic of China DO HEREBY CERTIFY that to the
best of my knowledge and belief, the corresponding signature appearing in the annexed 2020
Annual Corporate Governance Report is the signature of Wing Shing (Wing Shing) Chan, which I
have compared with his specimen signature filed in my records.

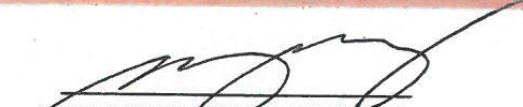
IN FAITH AND TESTIMONY whereof I have hereunto subscribed my name and affixed
my Seal of office at Hong Kong this Twenty Fourth day of June in the year of Two Thousand
and Twenty One.

Anthony Jex

ANTHONY JOHN JEX
Notary Public, Hong Kong SAR
33B United Centre
95 Queensway, Admiralty
Hong Kong

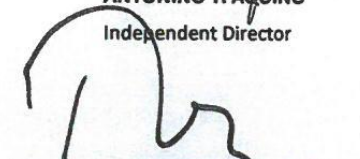
RECOMMENDED CORPORATE GOVERNANCE PRACTICE/POLICY	COMPLIANT/ NON-COMPLIANT	ADDITIONAL INFORMATION (TO SUPPORT OF CG PRACTICE/POLICY)	EXPLANATION
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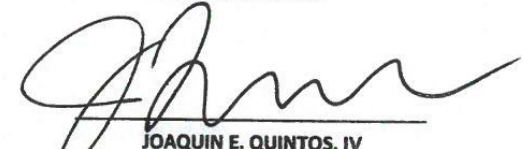

CARLA J. DOMINGO
 Corporate Secretary

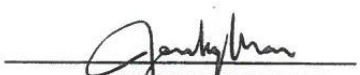

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 Chairman of the Board


CHEE KEONG (KELVIN) ANG
 Chief Executive Officer

SUBSCRIBED AND SWORN TO, before me, this ____ of _____ 2021 in Taguig City, Philippines, affiants exhibiting to me their government issued identification cards as follows:

NAME	ID	ID Number and Date Issued
CARLA J. DOMINGO -		
MARIA CRISTINA HELENA SAMANIEGO		
ANTONINO T. AQUINO		
FRANCIS G. ESTRADA		
DORIS MAGSAYSAY HO		
JOAQUIN E. QUINTOS, IV		
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