

COMPANY NAME : BPI-PHILAM LIFE ASSURANCE (BPLAC) CORPORATION  
COMPANY STRUCTURE : CLASS 3  
FINANCIAL YEAR END : 2018  
SECTOR : INSURANCE

A.	Rights of shareholders		Y/N	Reference/Source document
<b>A.1</b>	<b>Basic shareholder rights</b>			
A.1.1(P)	Did the company fail or neglect to offer equal treatment for share repurchases to all shareholders?	OECD Principle II (A)	N	The company did not fail or neglect to offer equal treatment for share repurchases to all shareholders  Source Documents: ▪ <a href="#">Secretary's Certificate</a>
<b>A.2</b>	<b>Shareholders, including institutional shareholders, should be allowed to consult with each other on issues concerning their basic shareholder rights as defined in the Principles, subject to exceptions to prevent abuse.</b>			
A.2.1(P)	Is there evidence of barriers that prevent shareholders from communicating or consulting with other shareholders?	OECD Principle II (G) Shareholders, including institutional shareholders, should be allowed to consult with each other on issues concerning their basic shareholder rights as defined in the Principles, subject to exceptions to prevent abuse.	N	The Company has not prevented any shareholders from communicating or consulting with other shareholders.  Source Documents: <a href="#">Secretary's Certificate</a>
<b>A.3</b>	<b>Right to participate effectively in and vote in general shareholders meeting and should be informed of the rules, including voting procedures that govern general shareholders meeting.</b>			
A.3.1(P)	Did the company include any additional and unannounced agenda item into the notice of AGM/EGM?	OECD Principle II (C) 2	N	The Annual Stockholders' meeting only discussed those items included in the Notice and Agenda. There were no additional and unannounced items in the agenda.  Source Document: ▪ <a href="#">Notice Agenda of the Annual Stockholders Meeting</a> ▪ <a href="#">Minutes of the Annual Stockholders' Meeting</a> ▪ <a href="#">Secretary's Certificate</a>
<b>A.4</b>	<b>Capital structures and arrangements that enable certain shareholders to obtain a degree of control disproportionate to their equity ownership should be disclosed.</b>			
	<i>Did the company fail to disclose the existence of:</i>			
A.4.1(P)	Shareholders agreement?	OECD Principle II (D)	N	There was no shareholder agreement executed in 2018 that enabled the other shareholder to obtain certain degree of control disproportionate to its equity ownership.  Source Documents: <a href="#">Secretary's Certificate</a>
A.4.2(P)	Voting cap?		N	Default item as per Insurance Commission Guidelines on Compliance with ACGS (Circular Letter No. 2015-13) Insurance dated 8 May 2015
A.4.3(P)	Multiple voting rights?		N	Default item as per Insurance Commission Guidelines on Compliance with ACGS (Circular Letter No. 2015-13) Insurance dated 8 May 2015
<b>A.5</b>	<b>Capital structures and arrangements that enable certain shareholders to obtain a degree of control disproportionate to their equity ownership should be disclosed.</b>			
A.5.1(P)	Is a pyramid ownership structure and/ or cross holding structure apparent?	OECD Principle II (D): Capital structures and arrangements that enable certain shareholders to obtain a degree of control disproportionate to their	N	Not applicable item as per Insurance Commission Guidelines on Compliance with ACGS (Circular Letter No. 2015-13) dated 8 May 2015

		<p>equity ownership should be disclosed.</p> <p>Some capital structures allow a shareholder to exercise a degree of control over the corporation disproportionate to the shareholders' equity ownership in the company. Pyramid structures, cross shareholdings and shares with limited or multiple voting rights can be used to diminish the capability of noncontrolling shareholders to influence corporate policy.</p>		
<b>B.</b>	<b>Equitable treatment of shareholders</b>			
<b>B.1</b>	<b>Insider trading and abusive self-dealing should be prohibited.</b>			
B.1.1(P)	Has there been any conviction of insider trading involving directors/commissioners, management and employees in the past three years?		N	<p>There was no conviction of insider trading involving directors/commissioners, management and employees in the past years.</p> <p><b>Source Documents:</b> <a href="#">Secretary's Certificate</a></p>
<b>B.2</b>	<b>Protecting minority shareholders from abusive action</b>			
B.2.1(P)	Has there been any cases of non-compliance with the laws, rules and regulations pertaining to significant or material related party transactions in the past three years?	<p><b>OECD Principle III: The Equitable Treatment of Shareholders</b> (B) Insider trading and abusive dealing should be prohibited.</p> <p><b>ICGN 3.5 Employee share dealing</b> Companies should have clear rules regarding any trading by directors and employees in the company's own securities. Among other issues, these must seek to ensure individuals do not benefit from knowledge which is not generally available to the market.</p> <p><b>ICGN 8.5 Shareholder rights of action</b> ... Minority shareholders should be afforded protection and remedies against abusive or oppressive conduct.</p>	N	<p>There were no cases of non-compliance with laws, rules and regulations pertaining to significant or material related party transactions in the past three years.</p> <p><b>Source Documents:</b> <a href="#">Secretary's Certificate</a></p>
<b>C.</b>	<b>Role of stakeholders</b>			
<b>C.1</b>	<b>The rights of stakeholders that are established by law or through mutual agreements are to be respected.</b>			
C.1.1(P)	Have there been any violations of any laws pertaining to labour/employment/consumer/insolvency/commercial/competition or environmental issues?	<p><b>OECD Principle IV</b> (A) The rights of stakeholders that are established by law or through mutual agreements are to be respected.</p>	N	<p>The Company did not commit violations of any laws pertaining to labor/employment/consumer/insolvency/commercial/competition or environmental issues.</p> <p><b>Source Documents:</b> <a href="#">Secretary's Certificate</a></p>
<b>C.2</b>	<b>Where stakeholders participate in the corporate governance process, they should have access to relevant, sufficient and reliable information on a timely and regular basis.</b>			

C.2.1(P)	Has the company faced any sanctions by regulators for failure to make announcements within the requisite time period for material events?	<b>OECD Principle IV</b> (B) Where stakeholders participate in the corporate governance process, they should have access to relevant, sufficient and reliable information on a timely and regular basis.	N	The Company has not faced any sanctions by regulators for failure to make announcement within the requisite period for material events.  <b>Source Documents:</b> <a href="#">Secretary's Certificate</a>
<b>D.</b>	<b>Disclosure and transparency</b>			
<b>D.1</b>	<b>Sanctions from regulator on financial reports</b>			
D.1.1(P)	Did the company receive a "qualified opinion" in its external audit report?	<b>OECD Principle V: Disclosure and Transparency</b> (B) Information should be prepared and disclosed in accordance with high quality standards of accounting and financial and non-financial disclosures. (C) An annual audit should be conducted by an independent, competent and qualified, auditor in order to provide an external and objective assurance to the board and shareholders that the financial statements fairly represent the financial position and performance of the company in all material respects. (D) External auditors should be accountable to the shareholders and owe a duty to the company to exercise due professional care in the conduct of the audit.	N	Isla Lipana issued a clean and unqualified audit opinion on the Company's Audited Financial Statements. The Audit Committee concurred and accepted the conclusion of the External Auditors on the financial statements, and was satisfied that the financial statements were in compliance with Philippine Financial Reporting Standards as assessed by the External Auditors.  <b>Source Documents:</b> <a href="#">2018 Annual Report, pages 71 to 72 – AUDIT COMMITTEE</a>
D.1.2(P)	Did the company receive an "adverse opinion" in its external audit report?	(D) External auditors should be accountable to the shareholders and owe a duty to the company to exercise due professional care in the conduct of the audit.	N	The Company received a clean and an unqualified opinion from Isla Lipan in its External Audit Report.  <b>Source Document:</b> <a href="#">Minutes of the Annual Stockholders Meeting dated 10 April 2019, page 3 to 4</a>
D.1.3(P)	Did the company receive a "disclaimer opinion" in its external audit report?	<b>ICGN 6.2 Annual audit</b> The annual audit carried out on behalf of shareholders is an essential part of the checks and balances required at a company. It should provide an independent and objective opinion that the financial statements fairly represent the financial position and performance of the company in all material respects, give a true and fair view of the affairs of the company and are in compliance with applicable laws and regulations.	N	The Company received a clean and an unqualified opinion from Isla Lipan in its External Audit Report.  <b>Source Document:</b> <a href="#">Minutes of the Annual Stockholders Meeting dated 10 April 2019, pages 3 to 4</a>
D.1.4(P)	Has the company in the past year revised its financial statements for reasons other than changes in accounting policies?	<b>ICGN 7.3 Affirmation of financial statements</b> The board of directors and the appropriate officers of the company should affirm at least annually the accuracy of the company's financial statements or financial accounts.  International Auditing Standard (ISA) No. 705 "Modifications to the	N	For the past year, the Company has not revised its financial statements for reasons other than changes in accounting policies.  <b>Source Document:</b> <a href="#">Minutes of the Annual Stockholders Meeting dated 10 April 2019, pages 3 to 4</a>

		Opinion in the Independent Auditor's Report" (2009). Paras. 7, 8 and 9 specify the three types of modifications to the auditor's opinion; that is, Qualified opinion, Adverse opinion, and Disclaimer opinion respectively.		
<b>E.</b>	<b>Responsibilities of the Board</b>			
<b>E.1</b>	<b>Compliance with listing rules, regulations and applicable laws</b>			
E.1.1(P)	Is there any evidence that the company has not complied with any listing rules and regulations over the past year apart from disclosure rules?	<p><b>OECD Principle VI (D)</b> (7) Ensuring the integrity of the corporation's accounting and financial reporting systems, including the independent audit, and that appropriate systems of control are in place, in particular, systems for risk management, financial and operational control, and compliance with the law and relevant standards.</p> <p>Companies are also well advised to set up internal programmes and procedures to promote compliance with applicable laws, regulations and standards, including statutes to criminalise bribery of foreign officials that are required to be enacted by the OECD Anti-bribery Convention and measures designed to control other forms of bribery and corruption. Moreover, compliance must also relate to other laws and regulations such as those covering securities, competition and work and safety conditions. Such compliance programmes will also underpin the company's ethical code.</p>	N	Not applicable item as per Insurance Commission Guidelines on Compliance with ACGS (Circular Letter No. 2015-13) dated 8 May 2015
E.1.2(P)	Have there been any instances where non-executive directors/commissioner have resigned and raised any issues of governance-related concerns?	<p><b>UK CODE (JUNE 2010)</b> A.4.3 Where directors have concerns which cannot be resolved about the running of the company or a proposed action, they should ensure that their concerns are recorded in the board minutes. On resignation, a non-executive director should provide a written statement to the chairman, for circulation to the board, if they have any such concerns.</p>	N	Based on records. There were no instances where non-executive directors/commissioner have resigned and raised any issues of governance-related concerns.  <b>Source Document:</b> <a href="#">Secretary's Certificate</a>
<b>E.2</b>	<b>Board Appraisal</b>			
E.2.1(P)	Does the Company have any independent directors/commissioners who	<b>OECD Principle V</b> (C) An annual audit should be conducted by an	Y	The Company adheres to Insurance Commission Circular 2018-38 dated 26 June 2018 which provides that an Independent

	have served for more than nine years or two terms (whichever is higher) in the same capacity?	<p>independent, competent and qualified, auditor in order to provide an external and objective assurance to the board and shareholders that the financial statements fairly represent the financial position and performance of the company in all material respects.</p> <p>Examples of other provisions to underpin auditor independence include, a total ban or severe limitation on the nature of non-audit work which can be undertaken by an auditor for their audit client, mandatory rotation of auditors (either partners or in some cases the audit partnership), a temporary ban on the employment of an ex-auditor by the audited company and prohibiting auditors or their dependents from having a financial stake or management role in the companies they audit.</p>		<p>Director shall be allowed to serve for a maximum cumulative term of nine (9) years. Thereafter, he or she shall be perpetually barred from any re-election in the same company as an independent director, but may continue to serve as a regular director. Said limit, as provided in the Circular, shall reckon from 02 January 2015, and all previous terms served by existing Independent Directors prior to the effectivity of the Circular shall not be included in the application of the term limit prescribed therein. Based on the foregoing IC Circular, all independent directors have serve only for less than four (4) years.</p> <p><b>Source Document:</b></p> <ul style="list-style-type: none"> <li>▪ <a href="#">Secretary's Certificate</a></li> <li>▪ <a href="#">2018 Annual Report, page 32 - List of Stockholders (Date of First Appointment)</a></li> </ul>
E.2.2(P)	Did the company fail to identify who are the independent director(s) / commissioner(s)?	<p><b>ICGN 2.4 Composition and structure of the board</b></p> <p><b>ICGN 2.4.1 Skills and experience</b></p> <p><b>ICGN 2.4.3 Independence</b></p>	N	<p>Due to their significant qualifications, experience and expertise, the shareholders elected and re-elected the following as Independent Directors of the Company:</p> <p>Mr. Romeo L. Bernardo Mr. Jesus P. Tambunting</p> <p><b>Source Document:</b> <a href="#">2018 Annual Report, pages 40 and 42 – Profile of Messrs. Bernardo and Tambunting</a></p>
<b>E.3</b>	<b>External Audit</b>			
E.3.1(P)	Is any of the directors or senior management a former employee or partner of the current external auditor (in the past 2 years)?	<p><b>OECD Principle V</b></p> <p>(C) An annual audit should be conducted by an independent, competent and qualified, auditor in order to provide an external and objective assurance to the board and shareholders that the financial statements fairly represent the financial position and performance of the company in all material respects.</p> <p>Examples of other provisions to underpin auditor independence include, a total ban or severe limitation on the nature of non-audit work which can be undertaken by an auditor for their audit client, mandatory rotation of auditors (either partners or in some cases the audit partnership), a temporary ban on the employment of an ex-auditor by the audited</p>	N	<p>No director or senior management was a former employee or partner of the current external auditor in the past 2 years.</p> <p><b>Source Document:</b> <a href="#">Secretary's Certificate</a></p>

		company and prohibiting auditors or their dependents from having a financial stake or management role in the companies they audit.		
<b>E.4</b>	<b>Board structure and composition</b>			
E.4.1 (P)	Is any of the directors a former CEO of the company in the past 2 years?		N	<p>None of the members of the Board of Directors was a former CEO of the Company in the past 2 years.</p> <p><b>Source Document:</b>  <a href="#">2018 Annual Report, pages 35 to 44 - Profile of Directors</a></p>