

COMPANY NAME : BPI-PHILAM LIFE ASSURANCE (BPLAC) CORPORATION
 COMPANY STRUCTURE : CLASS 3
 FINANCIAL YEAR END : 2019
 SECTOR : INSURANCE

A.	Rights of shareholders		Y/N	Reference/Source document
A.1	Right to participate effectively in and vote in general shareholders meeting and should be informed of the rules, including voting procedures that govern general shareholders meeting.			
A.1.1(B)	Does the company allow the use of secure electronic voting in absentia at the general meetings of shareholders?	OECD Principle II (C) (4) Shareholders should be able to vote in person or in absentia, and equal effect should be given to votes whether cast in person or in absentia.	Y	Per Article III, Section 6 of the Company By-Laws, each stockholder entitled to vote at a meeting of stockholders may vote by proxy, provided the proxy has been appointed in writing by the stockholder himself or by his duly authorized attorney. During the last annual stockholders' meeting held on 10 April 2019, Philam Life and BPI, majority stockholder of BPLAC, issued a proxy in favour of Mr. Jacky Chan and Mr. Cezar P. Consing, respectively. Source Document: <ul style="list-style-type: none"> ▪ By-Laws, Article III, Section 6. Voting, page 3 ▪ Minutes of the Annual Stockholders' Meeting dated 10 April 2019, pages 1 to 2
B.	Equitable treatment of shareholders			
B.1	Notice of AGM			
B.1.1(B)	Does the company release its notice of AGM (with detailed agendas and explanatory circulars), as announced to the Exchange, at least 28 days before the date of the meeting?	OECD Principle II (C) (1) Shareholders should be furnished with sufficient and timely information concerning the date, location and agenda of general meetings, as well as full and timely information regarding the issues to be decided at the meeting. (3) Effective shareholder participation in key corporate governance decisions, such as the nomination and election of board members, should be facilitated. OECD Principle III (A) ICGN 8.3.2 Shareholder participation in governance Shareholders should have the right to participate in key corporate governance decisions, such as the right to nominate, appoint and remove directors on an individual basis and also the right to appoint external auditors. ICGN 8.4.1 Shareholder ownership rights The exercise of ownership rights by all shareholders should be facilitated,	Y	BPI-Philam released the Notice of Meeting with detailed agenda and resolutions at least 28 days prior to the actual meeting. For the 10 April 2019 Annual Stockholders' meeting the notice was sent on 22 March 2019, and for 17 April 2020 Annual Stockholders' Meeting, the notice was sent on 11 March 2020, or 21 days prior to the actual meeting. Source Documents: <ul style="list-style-type: none"> ▪ Notice Agenda of the 2019 Annual Stockholders Meeting dated 22 March 2019 ▪ Notice Agenda of the 2020 Annual Stockholders Meeting dated 11 March 2020

		including giving shareholders timely and adequate notice of all matters proposed for shareholder vote. CLSA-ACGA (2010) CG Watch 2010 - Appendix 2. (I) CG rules and practices (25) Do company release their AGM notices (with detailed agendas and explanatory circulars) at least 28 days before the date of the meeting?		
C.	Roles of Stakeholders			
C.1	The rights of stakeholders that are established by law or through mutual agreements are to be respected			
C.1.1(B)	Does the company practice integrated report on its annual reports?	International <IR> Framework - DRAFT, IIRC Council Item 3b Meeting of 5 December 2013 “Integrated Reporting <IR> promotes a more cohesive and efficient approach to corporate reporting and aims to improve the quality of information available to providers of financial capital to enable a more efficient and productive allocation of capital. The IIRC’s vision is a world in which integrated thinking is embedded within mainstream business practice in the public and private sectors, facilitated by <IR> as the corporate reporting norm.”	Y	The company practice integrated report on its annual report. Source Document: 2019 Annual Report
D.	Disclosure and transparency			
D.1	Quality of Annual Report			
D.1.1 (B)	Are the audited annual financial report /statement released within 60 days from the financial year end?	OECD Principle V (C) OECD Principle V (E) ICGN 7.2 Timely disclosure ICGN 7.3 Affirmation of financial statements The board of directors and the corporate officers of the company should affirm at least annually the accuracy of the company's financial statements or financial accounts.	N	The Company's Audited Financial Report was released within 120 days from the financial year end in compliance with SEC requirements. The Audited Financial Statements of BPI-Philam was approved by the Stockholders on 17 April 2020, and submitted/released to the regulators on 22 May 2020.
D.1.2 (B)	Does the company disclose details of remuneration of the CEO?		Y	Please see Annual Report on Remuneration Details of Executive Director and CEO. Source Document: 2019 Annual Report, page 28. REMUNERATION OF EXECUTIVE DIRECTOR AND CEO

E.	Responsibilities of the Board			
E.1	Board Competencies and Diversity			
E.1.1(B)	Does the company have at least one female independent director/commissioner?	ICGN 2.4.1 Skills and experience The board should consist of directors with the requisite range of skills, competence, knowledge, experience and approach, as well as a diversity of perspectives, to set the context for appropriate board behaviours and to enable it to discharge its duties and responsibilities effectively.	Y	For 2019, the Board has one female member, Ms. Maria Consuelo A. Lukban, who is a Senior Officer of Bank of the Philippine Islands. Source Document: 2019 Annual Report, page 24 - Profile of Ms. Lukban
E.2	Nominating Committee			
E.2.1(B)	Does the Nominating Committee comprise entirely of independent directors/commissioners?	ICGN 2.4.4 Composition of board committees The members of these key board committees should be solely non-executive directors, and in the case of the audit and remuneration committees, solely independent directors. All members of the nominations committee should be independent from management and at least a majority should be independent from dominant owners.	N	Under its Charter and the Manual of Corporate Governance, the Nomination Committee shall consist of at least three (3) members of the Board of Directors, one of whom must be independent. BPI-Philam's Nomination & Governance Committee is currently composed of the following: For 2019, Mr. Kelvin Ang (non-executive director); Ms. Stephanie Sy (independent director); and Mr. Cezar P. Consing (non-executive director). Source Documents: <ul style="list-style-type: none"> ▪ Governance, Nomination and Remuneration Committee Charter ▪ Manual of Corporate Governance, page 4 – Nomination Committee ▪ 2019 Annual Report, page 32 - Governance, Nomination and Remuneration Committee Composition
E.2.2(B)	Does the Nominating Committee undertake the process of identifying the quality of directors aligned with the company's strategic directions?		Y	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. Source Document: Governance, Nomination and Remuneration Committee Charter
E.3	Board Appointments and Re-Election			
E.3.1(B)	Does the company use professional search firms or other external sources of candidates (such as director databases set up by director or shareholder bodies) when searching for candidates to the board of directors/commissioners?	WORLD BANK PRINCIPLE 6 (VI.I.21) Are boards known to hire professional search firms when proposing candidates to the board?	Y	The Board ensures that plans are in place for orderly succession to the Board and senior management to maintain a balance of appropriate skills and experiences within the Company. The Company's Corporate Governance Manual prescribes a formal, rigorous and transparent procedures for the selection and appointment of directors of the Board. Appointments to BPLAC Board of Directors are made on merits

				<p>and subject to objective criteria as set forth in the Manual. Careful deliberation and consideration is done to ensure that nominees are qualified to sit in the Board. The Company, through its major shareholders, considers the knowledge, competencies, skills, and experience that the nominee-director, seriously taking into account the Company's business objectives and strategies. The Company ensures that its Board membership consists of persons with sufficiently diverse and independent backgrounds and possesses a record of integrity and good repute, and that its membership consists of an appropriate mix of inside, outside, and independent directors. Part of the selection process of the Company is the use of independent/third party professional search firms to identify and source qualified directors and senior executives.</p> <p>Source Document: 2019 Annual Report, Board and Senior Management Succession and Selection Process, page 32</p>
E.4	Board Structure & Composition			
E.4.1(B)	Do independent non-executive directors/commissioners make up more than 50% of the board of directors/commissioners?		N	<p>The BPI-Philam Board of Directors has seven (7) members, composed of two (2) independent directors, seven (4) non-executive director, and one (1) executive director. The independent directors are as follows: 1) Mr. Jesse O. Ang; and, 2) Ms. Stephanie Sy</p> <p>Source Document: 2019 Annual Report, pages 22 to 25 - Board of Directors Profile</p>
E.5	Board Performance			
E.5.1(B)	Does the company have a separate level Risk Committee?	<p>International Financial Corporation's Global Corporate Governance Forum Publication: When Do Companies Need a Board-level Risk Management Committee? (Volume 31, pp.11, March 2013)</p> <p>Benefits of a Board Level Risk Committee:</p> <ol style="list-style-type: none"> 1. elevate risk oversight to the highest level in the company; 2. strengthen the quality of risk management; 3. inculcate a risk culture and risk-management environment to mitigate and manage risks effectively across the organization; 4. establish a platform for continuous assessment of risks in light of the changing 	Y	<p>The Board has established a separate Board Risk Committee (BRC) who is responsible for reviewing the Company's material controls and risk management systems, and for oversight of the Company's risk management activities. The BRC approves the risk appetite and risk management policies thereby providing clear guidance to management for business execution. The Group Risk Management Committee assures that the risk appetite and risk management policies are effectively cascaded and implemented across the business.</p> <p>Source Document: 2019 Annual Report, pages 47 to 50 – ENTERPRISE RISK MANAGEMENT</p>

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