

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

**B. Equitable Treatment of Shareholders**

B.1	Shares and voting rights		Y/N	Reference/Source Document
B.1.1	Do the company's ordinary or common shares have one vote for one share?	<p><b>OECD Principle III</b>            (A) All shareholders of the same series of a class should be treated equally.            (1) Within any series of a class, all shares should carry the same rights. All investors should be able to obtain information about the rights attached to all series and classes of shares before they purchase. Any changes in voting rights should be subject to approval by those classes of shares which are negatively affected.</p>	Y	<p>Default Item as per Insurance Commission Guidelines on Compliance with ACGS (Circular Letter No. 2015-23) dated 8 May 2015.</p> <p>Per Article III, Section 7 of the Company By-Laws, stockholders with voting privilege shall be entitled to one (1) vote for each share of stock standing in his name on the books of the Company.</p> <p><b>Source Document:</b>  <a href="#">By-Laws, Article III, Section 7. Voting, page 3</a></p>
B.1.2	Where the company has more than one class of shares, does the company publicise the voting rights attached to each class of shares (e.g. through the company website / reports/ the stock exchange/ the regulator's website)?	<p><b>ICGN 8.3.1 Unequal voting rights</b>            Companies ordinary or common shares should feature one vote for one share. Divergence from a 'one-share, one-vote' standard which gives certain shareholders power which is disproportionate to their equity ownership should be both disclosed and justified.</p>	Y	<p>Default Item as per Insurance Commission Guidelines on Compliance with ACGS (Circular Letter No. 2015-23) dated 8 May 2015.</p> <p>The Company only has one class of share (common share).</p> <p><b>Source Document:</b>  <a href="#">Articles of Incorporation, Item No. 7, page 4</a></p>
B.2	<b>Notice of AGM</b>			
B.2.1	Does each resolution in the most recent AGM deal with only one item, i.e., there is no bundling of several items into the same resolution?	<p><b>OECD Principle II</b>            (C) Shareholders should have the opportunity to participate effectively and vote in general shareholder meetings and should be informed of the rules, including voting procedures, that govern shareholder meetings:            (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.</p>	Y	<p>As shown in the Notice and Minutes of Annual Stockholders' Meeting, each item for approval of the shareholders is scheduled separately. There is no bundling of several items into the same resolution.</p> <p><b>Source Document:</b></p> <ul style="list-style-type: none"> <li>▪ <a href="#">Notice Agenda of the 2019 Annual Stockholders' Meeting dated 22 March 2019</a></li> <li>▪ <a href="#">Notice Agenda of the 2020 Annual Stockholders' Meeting dated 11 March 2020</a></li> </ul>
B.2.2	Are the company's notice of the most recent AGM/circulars fully translated into English and published on the same date as the local-language version?		Y	<p>The Notice of the Annual Stockholders' Meeting was written in English, which is the language used locally by BPI-Philam, and published on the same date.</p> <p><b>Source Document:</b></p> <ul style="list-style-type: none"> <li>▪ <a href="#">Notice Agenda of the 2019 Annual Stockholders' Meeting dated 22 March 2019</a></li> <li>▪ <a href="#">Notice Agenda of the 2020 Annual Stockholders' Meeting dated 11 March 2020</a></li> </ul>
	<b>Does the notice of AGM/circulars have the following details:</b>	<b>OECD Principle II</b>		
B.2.3	Are the profiles of directors/commissioners (at least age, academic qualification, date of first appointment, experience, and directorships in other listed	<p>(A) All shareholders of the same series of a class should be treated equally.            (4) Impediments to cross border voting should be eliminated.</p>	Y	<p>The Notice and the Shareholder Package Materials, which include among others the Annual Performance Report, contain the profiles of the directors seeking for re-election.</p>

	companies) in seeking election/re-election included?	<b>ICGN 8.3.2 Shareholder participation in governance</b> Shareholders should have the right to participate in key corporate governance decisions, such as the right to nominate, appoint and remove directors in an individual basis and also the right to appoint external auditor.		<b>Source Documents:</b> <ul style="list-style-type: none"> <li>▪ <a href="#">Notice Agenda of the 2019 Annual Stockholders' Meeting dated 22 March 2019 with attached Profile of Directors</a></li> <li>▪ <a href="#">2019 Annual Report, pages 22 to 25, Board of Directors' Profile</a></li> </ul>
B.2.4	Are the auditors seeking appointment/re-appointment clearly identified?	<b>ICGN 8.4.1 Shareholder ownership rights</b> The exercise of ownership rights by all shareholders should be facilitated, including giving shareholders timely and adequate notice of all matters proposed for shareholder vote.	Y	The auditors seeking appointment/re-appointment for the year, Isla Lipana & Co, were clearly identified in the Notice of Annual Stockholders' Meeting.  <b>Source Document:</b> <a href="#">Notice Agenda of the 2019 Annual Stockholders' Meeting dated 22 March 2019</a>
B.2.5	Has an explanation of the dividend policy been provided?		Y	The Notice of Annual Stockholders' Meeting includes the Annual Report which contains the Dividend Policy of the Company.  <b>Source Documents:</b> <ul style="list-style-type: none"> <li>▪ <a href="#">Notice Agenda of the 2019 Annual Stockholders' Meeting dated 22 March 2019</a></li> <li>▪ <a href="#">2019 Annual Report, page 31 - DIVIDEND POLICY</a></li> </ul>
B.2.6	Is the amount payable for final dividends disclosed?		Y	Notice provides amount to cash dividends to be disclosed. For this year, no dividends will be declared.
B.2.7	Were the proxy documents made easily available?		Y	Proxy Forms are attached and included to the Notice of Annual Meeting given in advance to the shareholders.  <b>Source Document:</b> <ul style="list-style-type: none"> <li>▪ <a href="#">Notice Agenda of the 2019 Annual Stockholders' Meeting dated 22 March 2019 with attached Proxy Form</a></li> <li>▪ <a href="#">Notice Agenda of the 2020 Annual Stockholders' Meeting dated 11 March 2020 with attached Proxy Form</a></li> </ul>
B.3	<b>Insider trading and abusive self-dealing should be prohibited</b>			
B.3.1	Does the company have policies and/or rules prohibiting directors/commissioners and employees to benefit from knowledge which is not generally available to the market?	<b>OECD Principle III</b> (B) Insider trading and abusive dealing should be prohibited  <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.  <b>ICGN 8.5 Shareholder rights of action</b> ... Minority shareholders should be afforded protection and remedies against abusive or oppressive conduct.	Y	Default Item as per Insurance Commission Guidelines on Compliance with ACGS (Circular Letter No. 2015-23) dated 8 May 2015.  BPI-Philam adheres to the AIA group Prevention of Insider Trading and Market Misconduct Policy, which aims to build a robust system to prevent market misconduct including insider trading. It sets out standards and controls to ensure compliance with the regulatory requirements. Lastly, the existence of this policy should prevent employees and directors from engaging in speculative trading in AIA Group Securities. The Policy applies to all employees and directors of AIA Group Limited and each of its subsidiaries, including BPI-Philam. Under the policy, it is illegal to trade securities while in possession of a material, non-public information and pass a material, non-public information to anyone who may trade securities based on it or give others recommendations to buy or sell securities.

				<p><b>Source Document:</b>  <a href="#">2019 Annual Report, page 41 – Prevention of Insider Trading and Price Sensitive Information</a></p>
B.3.2	Are the directors / commissioners required to report their dealings in company shares within 3 business days?		Y	<p>BPI-Philam’s Insider Trading and Market Misconduct Policy is actually stricter than the 3-day reporting requirements as it requires that dealings in AIA securities by certain employees, officers, directors, and their related interests, require pre-approval from the Group Company Secretary.</p> <p><b>Source Document:</b>  <a href="#">2019 Annual Report, page 41 – Prevention of Insider Trading and Price Sensitive Information</a></p>
B.4	<b>Related party transactions by directors and key executives.</b>			
B.4.1	Does the company have a policy requiring directors /commissioners to disclose their interest in transactions and any other conflicts of interest?	<p><b>OECD Principle III</b>  (C) Members of the board and key executives should be required to disclose to the board whether they, directly, indirectly or on behalf of third parties, have a material interest in any transaction or matter directly affecting the corporation.</p> <p><b>ICGN 2.11.1 Related party transactions</b>  Companies should have a process for reviewing and monitoring any related party transaction. A committee of independent directors should review significant related party transactions to determine whether they are in the best interests of the company and if so to determine what terms are fair.</p>	Y	<p>Default Item as per Insurance Commission Guidelines on Compliance with ACGS (Circular Letter No. 2015-23) dated 8 May 2015.</p> <p>As provided in the BPI-Philam’s Manual of Corporate Governance, overlapping interest and transactions should be disclosed to the Board of Directors; related party transactions should require prior disclosure to and approval of the Board of Directors. All directors and key officers who are members of the board of directors are required to execute an annual confirmation regarding connected transactions.</p> <p><b>Source Document:</b>  <a href="#">Manual of Corporate Governance, page 13</a></p>
B.4.2	Does the company have a policy requiring a committee of independent directors/commissioners to review material/significant RPTs to determine whether they are in the best interests of the company and shareholders?	<p><b>ICGN 2.11.2 Director conflicts of interest</b>  Companies should have a process for identifying and managing conflicts of interest directors may have. If a director has an interest in a matter under consideration by the board, then the director should not participate in those discussions and the board should follow any further appropriate processes. Individual directors should be conscious of shareholder and public perceptions and seek to avoid situations where there might be an appearance of a conflict of interest.</p>	Y	<p>In compliance with the Insurance Commission Circular No. 2017-29 on Related Party Transactions, the Board of Directors of the Company has approved the Related Party Transactions Policy, which requires all related party transactions, if below the set materiality thresholds under the Policy, to be reviewed and approved by the Regulatory and Compliance Committee, and by the Audit and RPT Committee, if above the materiality threshold. Under the Audit and RPT Committee Charter, the Committee shall be composed of three (3) members of the Board, two (2) of whom shall be independent directors.</p> <p><b>Source Documents:</b></p> <ul style="list-style-type: none"> <li>▪ <a href="#">Manual of Corporate Governance, page 3</a></li> <li>▪ <a href="#">Related Party Transactions Policy</a></li> <li>▪ <a href="#">Audit and RPT Committee Charter</a></li> <li>▪ <a href="#">2019 Annual Report, Audit and RPT Committee Composition, page 32</a></li> </ul>
B.4.3	Does the company have a policy requiring board members (directors/commissioners) to abstain from participating in the board discussion on a particular agenda when they are conflicted?		Y	<p>Default Item as per Insurance Commission Guidelines on Compliance with ACGS (Circular Letter No. 2015-23) dated 8 May 2015.</p> <p>BPI-Philam’s Manual of Corporate Governance spells out the duties and responsibilities of its directors, which includes conducting fair business</p>

				<p>transaction with the Company to ensure that personal interest does not bias Board decisions. As good corporate governance policy of the Company, the directors are required to abstain or inhibit themselves in the board discussion and decision pertaining to their own personal interest.</p> <p>The RPT policy provides that any member of the Committee who has an interest in the transaction must abstain from the deliberation and approval of such transaction.</p> <p><b>Source Document:</b>  <a href="#">Manual of Corporate Governance, page 8</a></p>
B.4.4	Does the company have policies on loans to directors and commissioners either forbidding this practice or ensuring that they are being conducted at arm's length basis and at market rates?			<p>Y</p> <p>Default Item as per Insurance Commission Guidelines on Compliance with ACGS (Circular Letter No. 2015-23) dated 8 May 2015.</p> <p>The Manual of Corporate Governance of the Company spells out the duties and responsibilities of its directors, which includes conducting fair business transaction with the Company to ensure that personal interest does not bias Board decisions.</p> <p><b>Source Document:</b></p> <ul style="list-style-type: none"> <li>• <a href="#">Manual of Corporate Governance, page 8</a></li> <li>• <a href="#">Related Party Transactions Policy</a></li> </ul>
B.5	<b>Protecting minority shareholders from abusive actions</b>			
B.5.1	Were there any RPTs that can be classified as financial assistance to entities other than wholly-owned subsidiary companies?	<p><b>OECD Principle III</b></p> <p>(A) All shareholders of the same series of a class should be treated equally.</p> <p>(2) Minority shareholders should be protected from abusive actions by, or in the interest of, controlling shareholders acting either directly or indirectly, and should have effective means of redress.</p>	N	<p>BPI-Philam has no RPTs that can be classified as financial assistance to entities other than wholly-owned subsidiary companies.</p> <p><b>Source Document:</b>  <a href="#">2019 Annual Report, pages 53 to 58 – RELATED PARTY TRANSACTIONS</a></p>
B.5.2	Does the company disclose that RPTs are conducted in such a way to ensure that they are fair and at arms' length?	<p><b>ICGN 2.11.1 Related party transactions</b></p> <p>Companies should have a process for reviewing and monitoring any related party transaction. A committee of independent directors should review significant related party transactions to determine whether they are in the best interests of the company and if so to determine what terms are fair.</p> <p><b>ICGN 2.11.2 Director conflicts of interest</b></p> <p>Companies should have a process for identifying and managing conflicts of interest directors may have. If a director has an interest in a matter under consideration by the board, then the director should not participate in those discussions and the board</p>	Y	<p>The Company has adopted a Related Party Transactions (RPT) Policy, which sets forth the necessary control system to ensure the effective management of related party transactions. The Policy requires that all RPTs should be on normal commercial terms, at arm's length, and fair and reasonable in the interest of BPLAC. The Company has put in place an effective price discovery system (i.e. transfer pricing study) and due diligence process to determine the fair price for RPTs.</p> <p>In case of conflict of interest, the Policy requires that any member of the Board who has an interest in a transaction must abstain from deliberation and approval of said transaction.</p> <p>The BPLAC Directors, officers and employees, which have been made fully aware of the Policy, are strictly mandated to comply at all times with the guidelines, protocols, and processes on related party transactions as set forth in the Policy.</p> <p><b>Source Document:</b></p> <ul style="list-style-type: none"> <li>▪ <a href="#">Related Party Transactions Policy</a></li> <li>▪ <a href="#">2019 Annual Report, pages 39 to 40 – Related Party Transaction</a></li> </ul>

		<p>should follow any further appropriate processes. Individual directors should be conscious of shareholder and public perceptions and seek to avoid situations where there might be an appearance of a conflict of interest.</p> <p><b>ICGN 8.5 Shareholder rights of action</b></p> <p>Shareholders should be afforded rights of action and remedies which are readily accessible in order to redress conduct of company which treats them inequitably. Minority shareholders should be afforded protection and remedies against abusive or oppressive conduct.</p>	<ul style="list-style-type: none"> <li>▪ <a href="#">2019 Annual Report, pages 53 to 58 – RELATED PARTY TRANSACTIONS</a></li> <li>▪ <a href="#">RPT Reports for 2019 submitted to regulators</a></li> </ul>
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