

COMPANY NAME : PHILAM EQUITABLE LIFE ASSURANCE COMPANY, INC.
COMPANY STRUCTURE : CLASS 1
FINANCIAL YEAR END : 2018
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	Not Applicable Item as per Insurance Commission Guidelines on Compliance with ACGS (Circular Letter No. 2015-13).
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, 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?	Y	Not Applicable Item as per Insurance Commission Guidelines on Compliance with ACGS (Circular Letter No. 2015-13). The Company provided the Notice of Meeting with Agenda Items for Resolution at least 28 days prior to the actual meeting. For the 06 April 2018 Annual Stockholders' Meeting, the notice was sent on 20 March 2018, and for the 29 April 2019 Annual Stockholders' Meeting, the notice was sent on 04 April 2019. Source Documents: <ul style="list-style-type: none"> ▪ Notice Agenda of Annual Stockholders' Meeting dated 20 March 2018 ▪ Notice Agenda of the Annual Stockholders' Meeting dated 04 April 2019

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: 2018 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 PELAC was approved by the Stockholders on 29 April 2019, and submitted/released to the Securities and Exchange Commission and the Bureau of Internal Revenue.
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: 2018 Annual Report, page 14. Remuneration Policy for 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 2018, the Board has one female member, Ms. Victoria S. Licuanan, who is currently a research fellow and adjunct faculty of the Asian Institute of Management (AIM). Prior to her retirement, she was a former Dean of AIM, and continues to teach economics, negotiations, strategy and Asian business in addition to research. Source Document: 2018 Annual Report, page 8. Profile of Ms. Victoria S. Licuanan
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 Governance, Nomination and Compensation Committee shall consist of at least three (3) members of the Board of Directors, one of whom must be independent. Philam Life's Nomination & Governance Committee is currently composed of the following: Mr. Ariel G. Cantos (executive director); Mr. Ernesto R. Lagdameo, Jr. (independent director); and Ms. Denise Anne R. Saclag (executive director). Source Documents: <ul style="list-style-type: none"> ▪ Governance, Nomination and Compensation Committee Charter ▪ 2018 Annual Report, page 10. Governance, Nomination and Compensation 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	The Board has approved the Governance, Nomination and Compensation Committee Charter, which provides the structure, authority and responsibilities, and procedures and administration of the Committee. The Manual of Corporate Governance and the Governance, Nomination and Compensation Committee Charter are made available on the Company website. Source Document: Governance, Nomination and Compensation 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?	WORLDBANK PRINCIPLE 6 (VI.I.21) Are boards known to hire professional search firms when proposing candidates to the board?	Y	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. Source Document: Annual Report. Pages 12 to 13. Board and Senior Management Succession and Selection Process.
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	PELAC Board of Directors has five (5) members, composed of two (2) independent directors, one (1) non-executive director, and two (2) executive directors. The independent directors are as follows: 1) Mr. Ernesto R. Lagdameo, Jr. and Ms. Victoria S. Licuanan.
E.5	Board Performance			
E.5.1(B)	Does the company have a separate level Risk Committee?	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)	Y	The Risk Management of PELAC is covered by the Philam Group Risk Management Committee. Source Document: 2018 Annual Report, page 16. Risk Management

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