

COMPANY NAME : PHILAM EQUITABLE LIFE ASSURANCE COMPANY, INC.  
 COMPANY STRUCTURE : CLASS 1  
 FINANCIAL YEAR END : 2018  
 SECTOR : INSURANCE

**D.1 Transparent ownership structure**

D.1	Transparent ownership structure		Y/N	Reference/Source Document
D.1.1	Does the information on shareholdings reveal the identity of beneficial owners, holding 5% shareholding or more?	<p><b>OECD Principle V: Disclosure and Transparency</b>            (A) Disclosure should include, but not limited to, material information on:            (3) Major share ownership and voting rights, including group structures, intra-group relations, ownership data, and beneficial ownership.</p> <p><b>ICGN 7.6 Disclosure of ownership</b>            ... the disclosure should include a description of the relationship of the company to</p>	Y	<p>Not Applicable Item as per Insurance Commission Guidelines on Compliance with ACGS (Circular Letter No. 2015-13).</p> <p>PELAC is 100% owned by Philam Life. The Annual Report discloses the list of PELAC's stockholders and their corresponding holdings. The SEC General Information Sheet also contains the list of shareholders of the Company and their corresponding holdings.</p> <p><b>Source Documents:</b>  <a href="#">2018 Annual Report, page 6 - List of Stockholders</a></p>
D.1.2	Does the company disclose the direct and indirect (deemed) shareholdings of major and/or substantial shareholders?	<p>other companies in the corporate group, data on major shareholders and any other information necessary for a proper understanding of the company's relationship with its public shareholders.</p>	Y	<p>Not Applicable Item as per Insurance Commission Guidelines in Compliance with ACGS (Circular Letter No. 2015-13).</p> <p>PELAC is 100% owned by Philam Life. The Annual Report discloses the list of PELAC's stockholders and their corresponding holdings. The SEC General Information Sheet also contains the list of shareholders of the Company and their corresponding holdings.</p> <p><b>Source Documents:</b>  <a href="#">2018 Annual Report, page 6 - List of Stockholders</a></p>
D.1.3	Does the company disclose the direct and indirect (deemed) shareholdings of directors (commissioners)?		Y	<p>Not Applicable Item as per Insurance Commission Guidelines on Compliance with ACGS (Circular Letter No. 2015-13). The SEC General Information Sheet contains the list of directors of the Company and their corresponding holdings.</p> <p><b>Source Documents:</b>  <a href="#">2018 Annual Report, page 6 - List of Stockholders</a></p>
D.1.4	Does the company disclose the direct and indirect (deemed) shareholdings of senior management?		Y	<p>Not Applicable Item as per Insurance Commission Guidelines on Compliance with ACGS (Circular Letter No. 2015-13).</p> <p>The SEC General Information Sheet contains the list of senior management of the Company (i.e. President and Executive Vice Presidents) and their corresponding holdings to the Company.</p> <p><b>Source Documents:</b>  <a href="#">2018 Annual Report, page 6 - List of Stockholders</a></p>
D.1.5	Does the company disclose details of the parent/holding company, subsidiaries, associates, joint		Y	<p>Not Applicable Item as per Insurance Commission Guidelines on Compliance with ACGS (Circular Letter No. 2015-13).</p>

	ventures and special purpose enterprises/ vehicles (SPEs)/ (SPVs)?			
D.2	<b>Quality of Annual Report</b>			
	<i>Does the company's annual report disclose the following items:</i>			
D.2.1	Key risks	<b>OECD Principle V (A):</b>	N	
D.2.2	Corporate Objectives	<p>(1) The financial and operating results of the company;</p> <p>(2) Company objectives, including ethics, environment, and other public policy commitments;</p> <p>(3) Major share ownership and voting rights, including group structures, intra-group relations, ownership data, beneficial ownership;</p> <p>(4) Remuneration policy for members of the board and key executives, including their qualifications, the selection process, other company directorships and whether they are regarded as independent by the board;</p> <p>(6) Foreseeable risk factors, including risk management system;</p> <p>(7) Issues regarding employees and other stakeholders;</p> <p>(8) Governance structure and policies, in particular, the content of any corporate governance code or policy and the process by which it is implemented.</p> <p>OECD Principle V (E): Channels for disseminating information should provide for equal, timely and cost-efficient access to relevant information by users.</p> <p>ICGN 2.4 Composition and structure of the board ICGN 2.4.1 Skills and experience ICGN 2.4.3 Independence</p> <p>ICGN 5.0 Remuneration ICGN 5.4 Transparency</p> <p>UK Corporate Governance Code (2010) A.1.2 - the number of meetings of the board and those committees and individual attendance by directors.</p> <p>CLSA-ACGA (2010) CG Watch 2010 - Appendix 2 (I) CG rules and practices (19) Disclose the exact remuneration of individual directors.</p>	Y	<p>The Company's corporate objectives are sufficiently disclosed in the Company's Annual Report. Philam Life Management is still keeping the company for a future sales and marketing purpose which is still under study.</p> <p><b>Source Document:</b> <a href="#">2018 Annual Report, page 2. Company Overview</a></p>
D.2.3	Financial performance indicators		Y	<p>The particular item is sufficiently disclosed in the Annual Performance Report of the Company.</p> <p><b>Source Document:</b> <a href="#">2018 Annual Report</a></p>

D.2.4	Non-financial performance indicators		N	None
D.2.5	Dividend policy		Y	<p>The particular item is sufficiently disclosed in the Annual Performance Report of the Company.</p> <p><b>Source Document:</b>  <a href="#">2018 Annual Report, page 24. Dividend Policy</a></p>
D.2.6	Details of whistle-blowing policy		Y	<p>PELAC's Whistleblow Programme is sufficiently disclosed in the Annual Report. PELAC does business with integrity and follows the highest ethical principles. Any employee (or anyone else) may and are highly encouraged to raise concerns of misconduct or wrongdoing within the Company that can allow investigation to fix any problems. The goal of the Whistleblow Policy is to support an effective governance process, help maintain and establish corporate values that support ethical and legal behaviour and provide the Whistleblower protection from retaliation for making a report in good faith. It guides all employees on how to raise ethical concerns and managers on how they should respond when this happens. Employees who are aware of possible wrongdoing within PELAC have a responsibility to disclose that information to management. Reports are taken seriously and investigated confidentially. This Policy is designed to provide for protection in case there is a threat to the security of the Whistleblower. Employees or other individuals will not suffer retaliation for reporting suspected wrongdoing in good faith as this is prohibited by the Company. Reporting concerns or suspicions may be made by multiple means provided in the AIA Code of Conduct. The report may also be made by the employee by using the AIA Group Ethics and Compliance Hotline (PLDT) 1010-5511-00 + 800-245-4179, which is available 24 hours a day, 7 days a week. The employee is encouraged to provide as much detailed information as possible and may remain anonymous if he/she wishes. The policy is also discussed in further detail in the AIA Code of Conduct.</p> <p><b>Source Document:</b>  <a href="#">2018 Annual Report, pages 23 to 24. Whistleblowing Program</a></p>
D.2.7	Biographical details (at least age, qualifications, date of first appointment, relevant experience, and any other directorships of listed companies) of directors/commissioners		Y	<p>The biographical details of PELAC's directors are fully disclosed in the Annual Report of the Company. These details include, among others, the director's age, date of first appointment, relevant experience, and directorships in other listed and non-listed companies.</p> <p><b>Source Document:</b>  <a href="#">2018 Annual Report, page 7-9. Board of Directors' Profile.</a></p>
D.2.8	Training and/or continuing education programme attended by each director/commissioner		Y	<p>For newly elected directors, the Corporate Secretary schedules and provides comprehensive orientation to explain the</p>

				<p>organizational profile, charters, by laws, policies and procedures of the Company. In compliance with Circular issued by the Insurance Commission, PELAC ensures that all its directors have attended a training and orientation course on Corporate Governance conducted by duly accredited training providers of the Commissions. The Board members are also encouraged to attend further training and inform the Corporation on such trainings attended. PELAC provides necessary resources in developing and updating its director's knowledge and capabilities. The Company encourages the directors to attend continuous professional education programs such as Professional Directors' Program of the Institute of Corporate Directors.</p> <p><b>Source Document:</b>  <a href="#">2018 Annual Report, page 13. Orientation Program and Training</a></p>
D.2.9	Number of board of directors/commissioners meetings held during the year		Y	<p>In 2018, the Board of Directors of PELAC met six (6) times, as properly disclosed in the Annual Report of the Company. The following are the dates of the Board of Directors' meetings:</p> <p>08 January 2018 (Special Board Meeting)  06 February 2018 (Special Board Meeting)  23 April 2018 (Outgoing Board)  23 April 2018 (Organizational)  20 July 2018 (Special Board Meeting)  10 December 2018 (Special Board Meeting)</p> <p><b>Source Document:</b>  <a href="#">2018 Annual Report, page 11. Meetings held and attended for the year 2018</a></p>
D.2.10	Attendance details of each director/commissioner in respect of meetings held		Y	<p>The attendance details of each the director are disclosed in the 2018 Annual Report.</p> <p>The following directors attended had an attendance rate of 100%:</p> <ol style="list-style-type: none"> <li>1. Ariel G. Cantos</li> <li>2. Richard Sumner</li> <li>3. Gary Ogilvie</li> </ol> <p>Both Mr. Lagdameo and Ms. Licuanan attended five (5) of the six meetings (83.33%). Mr. Lustre and Ms. Saclag attended only two (2) meetings while Ms. Guevara attended only once as they were no longer elected in 23 April 2018 Annual Stockholders meeting.</p> <p><b>Source Document:</b>  <a href="#">2018 Annual Report, page 11. Meetings held and attended for the year 2018</a></p>
D.2.11	Details of remuneration of each member of the board of directors/commissioners		Y	<p>The remuneration of directors was disclosed in the 2018 Annual Report of the Company.</p>

				<b>Source Document:</b> <a href="#">2018 Annual Report, page 14. Fee Structure and Remuneration of Directors</a>
	<b>Corporate Governance Confirmation Statement</b>			
D.2.12	Does the Annual Report contain a statement confirming the company's full compliance with the code of corporate governance and where there is non-compliance, identify and explain reasons for each such issue?	<p><b>OECD PRINCIPLE V (A) (8)</b></p> <p>UK CODE (JUNE 2010): Listing Rules 9.8.6 R (for UK incorporated companies) and 9.8.7 R (for overseas incorporated companies) state that in the case of a company that has a Premium listing of equity shares, the following items must be included in its Annual Report and accounts: a statement of how the listed company has applied the Main Principles set out in the UK CG Code, in a manner that would enable shareholders to evaluate how the principles have been applied; a statement as to whether the listed company has complied throughout the accounting period with all relevant provisions set out in the UK CG Code; or not complied throughout the accounting period with all relevant provisions set out in the UK CG Code, and if so, setting out: (i) those provisions, if any, it has not complied with; (ii) in the case of provisions whose requirements are of a continuing nature, the period within which, if any, it did not comply with some or all of those provisions; and (iii) the company's reasons for non-compliance.</p> <p>ASX CODE: Under ASX Listing Rule 4.10.3, companies are required to provide a statement in their Annual Report disclosing the extent to which they have followed the Recommendations in the reporting period. Where companies have not followed all the Recommendations, they must identify the Recommendations that have not been followed and give reasons for not following them. Annual Reporting does not diminish the company's obligation to provide disclosure under ASX Listing Rule 3.1.</p>	Y	<p>PELAC confirms its full compliance with the Code of Corporate Governance, and its commitment to the highest standards of corporate governance is rooted in the belief that culture of integrity and transparency is essential to the consistent achievement of its common goals. Creating a sustainable culture, where trust and accountability are vital as skill and wisdom, steers us towards achieving long-term value for shareholders and clients, and strengthens our confidence in the institution.</p> <p><b>Source Document:</b> <a href="#">2018 Annual Report, page 11, Corporate Governance</a></p>
<b>D.3.</b>	<b>Disclosure of related party transactions (RPT)</b>			
D.3.1	Does the company disclose its policy covering the review and	OECD Principle V: Disclosure and Transparency	Y	PELAC abides by its policy that ensures all transactions between related parties are

	approval of material/significant RPTs?	(A) Disclosure should include, but not limited to, material information on: (5) Related party transactions  ICGN 2.11.1 Related party transactions The company should disclose details of all material related party transactions in its Annual Report.		only undertaken on an arm's length basis for the financial, commercial, and economic benefit of the Company and the entire group where it belongs. It is the responsibility of the Board of Directors and Management to exercise appropriate oversight and implement effective control systems for managing RPT exposures. The Board shall have the overall responsibility in ensuring that related party transactions are handled in sound and prudent manner, with integrity, and in compliance with applicable laws, rules, regulations, and circulars to ultimately protect the interest of the employees, policyholders, creditors and all other stakeholders.  Related party relationship exists and details of Related Party Transactions are provided in the 2018 Audited Financial Statement. The Company has no RPTs that can be classified as financial assistance to entities other than wholly-owned subsidiary companies. The Company ensures that RPTs are conducted in such a way that they are fair and at arms' length, and discloses such facts in its Annual Performance Report and the Audited Financial Statements.  <b>Source Document:</b> <a href="#">2018 Annual Report, pages 14 to 16. Related Party Transaction Policy</a>
D.3.2	Does the company disclose the name of the related party and relationship for each material/significant RPT?		Y	The particular item, if any, is sufficiently disclosed in the Annual Report of the Company.  Source: <a href="#">2018 Annual Report, pages 14 to 16. Related Party Transactions Policy</a>
D.3.3	Does the company disclose the nature and value for each material/significant RPT?		Y	Details of related party relationship and transactions are provided in the 2018 Audited Financial Statement. The Company has no RPTs that can be classified as financial assistance to entities other than wholly-owned subsidiary companies. The Company ensures that RPTs are conducted in such a way that they are fair and at arms' length, and discloses such facts in its Annual Performance Report and the Audited Financial Statements.  <b>Source Document:</b> <a href="#">2018 Annual Report, pages 14 to 16. Related Party Transactions Policy</a>
<b>D.4</b>	<b>Directors and commissioners dealings in shares of the company</b>			
D.4.1	Does the company disclose trading in the company's shares by insiders?	<b>OECD Principle V (A):</b> (3) Major share ownership and voting rights  <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.	Y	Not Applicable Item as per Insurance Commission Guidelines in Compliance with ACGS (Circular Letter No. 2015-13). No disclosure required since the Company does not trade its shares.  <b>Source Document:</b> <a href="#">2018 Annual Report, page 20. Prevention of Insider Trading &amp; Price Sensitive Information</a>

		<p><b>ICGN 5.5 Share ownership</b> Every company should have and disclose a policy concerning ownership of shares of the company by senior managers and executive directors with the objective of aligning the interests of these key executives with those of shareholders.</p>		
<b>D.5</b>	<b>External auditor and Auditor Report</b>			
D.5.1	Are audit fees disclosed?	<p>OECD Principle V (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>	Y	<p>The Audit Fee of Isla Lipana &amp; Co./PricewaterhouseCoopers is disclosed in the Annual Report.</p> <p><b>Source Document:</b></p> <ul style="list-style-type: none"> <li>▪ <a href="#">2018 Annual Report. Page. 25. Engagement of External Auditors</a></li> <li>▪ <a href="#">Isla Lipana Certification</a></li> </ul>
	<i>Where the same audit firm is engaged for both audit and non-audit services</i>			
D.5.2	Are the non-audit fees disclosed?	<p>OECD Principle V (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.</p> <p>ICGN 6.5 Ethical standards (Audit) The auditors should observe high-quality auditing and ethical standards. To limit the possible risk of possible conflicts of interest, non-audit services and fees paid to auditors for non-audit services should be both approved in advance by the audit committee and disclosed in the Annual Report.</p>	Y	<p>Thus, there was no non-audit fees to be disclosed in the Annual Report as PELAC did not engage Isla Lipan for such services.</p> <p><b>Source Document:</b></p> <ul style="list-style-type: none"> <li>▪ <a href="#">2018 Annual Report. Page 25. Engagement of External Auditors</a></li> <li>▪ <a href="#">Isla Lipana Certification</a></li> </ul>
D.5.3	Does the non-audit fee exceed the audit fees?		N	<p>The Company engages its External Auditor for audited services only. Thus, there are no non-audit fees paid to the external auditor.</p> <p><b>Source Document:</b></p> <ul style="list-style-type: none"> <li>▪ <a href="#">2018 Annual Report. Page 25. Engagement of External Auditors</a></li> <li>▪ <a href="#">Isla Lipana Certification</a></li> </ul>
<b>D.6</b>	<b>Medium of communications</b>			
	<i>Does the company use the following modes of communication?</i>			
D.6.1	Quarterly reporting	<p><b>OECD Principle V (E):</b> Channels for disseminating information should provide for equal, timely and cost-efficient access to relevant information by users.</p> <p><b>ICGN 7.1 Transparent and open communication</b> Every company should aspire to transparent and open communication about its aims,</p>	Y	<p>In order to ensure that the employees, agents, customers and other stakeholders are updated with the developments and activities of the Company, we have developed various modes and venues of communication such as but not limited newsletters, press releases, newspaper articles, regular townhall meetings, and annual report. The Company has an internal communication module called 'PhilamWebmaster', where the employees are regularly apprised of any</p>

		its challenges, its achievements and its failures.  <b>ICGN 7.2 Timely disclosure</b> Companies should disclose relevant and material information concerning themselves on a timely basis, in particular meeting market guidelines where they exist, so as to allow investors to make informed decisions about the acquisition, ownership obligations and rights, and sales of shares.		significant milestones, events, and developments in the Company. The Company also uses its website to communicate to the public.  <b>Source Document:</b> <a href="#">2018 Annual Report</a>
D.6.2	Company website		Y	The Company uses its website as one of its modes of communication.  <b>Source Document:</b> <a href="#">Company Website</a>
D.6.3	Analyst's briefing		N/A	Not Applicable Item as per Insurance Commission Guidelines on Compliance with ACGS (Circular Letter No. 2015-13).
D.6.4	Media briefings /press conferences		Y	The Company uses media briefings and press conferences as one of its modes of communication.  <b>Source Document:</b> <a href="#">Company Website/Announcement</a>
<b>D.7</b>	<b>Timely filing/release of annual/financial reports</b>			
D.7.1	Are the audited annual financial report / statement released within 120 days from the financial year end?	<b>OECD Principle V (C)</b>  <b>OECD Principle V (E) OECD Principle V-(A).</b>  <b>ICGN 7.2 Timely disclosure</b>  <b>ICGN 7.3 Affirmation of financial statements</b> 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.	Y	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 Philam Life was approved by the Stockholders on 29 April 2019, and submitted/released to the Securities and Exchange Commission and the Bureau of Internal Revenue.  <b>Source Document:</b> <a href="#">Minutes of the Annual Stockholders Meeting held on 29 April 2019</a>
D.7.2	Is the annual report released within 120 days from the financial year end?		Y	The 2018 Annual Report of PELAC was released during the Board of Directors and Annual Stockholders' meetings on 29 April 2019.  <b>Source Document:</b> <a href="#">Minutes of the Annual Stockholders Meeting held on 29 April 2019</a>
D.7.3	Is the true and fairness/fair representation of the annual financial statement/reports affirmed by the board of directors/commissioners and/or the relevant officers of the company?		Y	The true and fairness/fair representation of the annual financial statement was affirmed by the Audit and RPT Committee of the Company. The Audit and RPT Committee has reviewed and approved the scope and coverage of the Statutory Audit for the year 2018. Although Management has the primary responsibility for the financial statements and reporting process, the Audit Committee having the oversight role, has noted and reviewed the audited financial statements for the calendar year 2018, and concurred and accepted the conclusion of the External Auditors on the financial statements. The Audit and RPT Committee was satisfied that the financial statements were in compliance with Philippine Financial Reporting Standards as assessed by the External Auditors.



				<b>Source Documents:</b> <ul style="list-style-type: none"> <li>▪ <a href="#">2018 Annual Report, page 25. Engagement of External Auditors.</a></li> <li>▪ <a href="#">Minutes of the Annual Stockholders Meeting dated 29 April 2019.</a></li> </ul>
D.8	<b>Company website</b>			
	<i>Does the company have a website disclosing up-to-date information on the following:</i>			
D.8.1	Business operations	OECD Principle V (A)  OECD Principle V (E)  ICGN 7.1 Transparent and open communication	Y	The Company website discloses among others information relating to business operations of the Company.  <b>Source Document:</b> <a href="#">Company Website</a>
D.8.2	Financial statements/reports (current and prior years)	ICGN 7.2 Timely disclosure	Y	The Company website discloses among others information relating to financial statements of the Company.  <b>Source Document:</b> Company Website: <a href="#">Published Synopsis</a>
D.8.3	Materials provided in briefings to analysts and media		Y	The Company website discloses among others information relating to briefings to analysts and media.  <b>Source Document:</b> <a href="#">Company Website</a>
D.8.4	Shareholding structure		Y	The Company website discloses among others information relating to the Company's group corporate structure.  <b>Source Document:</b> <a href="#">Company Website</a>
D.8.5	Group corporate structure		Y	The Company website discloses among others information relating to the Company's group corporate structure.  <b>Source Document:</b> <a href="#">Company Website</a>
D.8.6	Downloadable annual report		Y	The Company website contains the downloadable Annual Performance Report of the Company.  <b>Source Document:</b> Company Website: <a href="#">2018 Annual Report</a>
D.8.7	Notice of AGM and/or EGM		Y	Not Applicable Item as per Insurance Commission Guidelines on Compliance with ACGS (Circular Letter No. 2015-13). The Company website contains the Notice of the Annual Stockholders' Meeting of the Company.  <b>Source Document:</b> Company Website: <a href="#">Corporate Governance Section, 2019 Notice of Annual Stockholders Meeting</a>
D.8.8	Minutes of AGM and/or EGM		Y	Not Applicable Item as per Insurance Commission Guidelines on Compliance with ACGS (Circular Letter No. 2015-13).  The website discloses the Minutes of the Annual Stockholders' Meeting of the Company last 29 April 2019 in the Corporate Governance Section.

				<b>Source Document:</b> Company Website: <a href="#">Corporate Governance Section, Minutes of the Annual Stockholders Meeting dated 29 April 2019</a>
D.8.9	Company's constitution (company's by-laws, memorandum and articles of association)		Y	PELAC's website discloses the Articles of Incorporation and By-Laws of the Company in the Corporate Governance Section.  <b>Source Documents:</b> <ul style="list-style-type: none"> <li>▪ Company Website: <a href="#">Corporate Governance Section, Articles of Incorporation</a></li> <li>▪ Company Website: <a href="#">Corporate Governance Section, By-Laws</a></li> </ul>
<b>D.9</b>	<b>Investor relations</b>			
D.9.1	Does the company disclose the contact details (e.g. telephone, fax, and email) of the officer / office responsible for investor relations?	<b>ICGN 7.1 Transparent and open communication</b>	Y	Not Applicable Item as per Insurance Commission Guidelines on Compliance with ACGS (Circular Letter No. 2015-13).