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| COMPANY: The Philippine American Life and General Insurance (Philam Life) Company | |
| SECTOR: Insurance | |
| FINANCIAL YEAR END: 31 December 2015 | |
| COMPANY STRUCTURE: Class 2 | |
| A Rights of Shareholders | |
| A.1 Basic Shareholder Rights | |
| A.1.1 Does the company pay (interim and final/annual) dividends in an equitable and timely manner; that is, <u>all shareholders are treated equally and paid within 30 days after being (i) declared for interim dividends and (ii) approved by annual general meeting (AGM) for final dividends?</u> | <p>Answer: Not Applicable Item as per Insurance Commission Guidelines on Compliance with ACGS (Circular Letter No. 2015-13). Subject to Section 43 of the Corporation Code of the Philippines and to the requirements set forth under Article VII Section 1 of the Company By-Laws, the Company pays its shareholders dividends proportionate to their shares; dividends are paid immediately from approval of the relevant regulatory authorities (i.e. Insurance Commission and the Securities and Exchange Commission).</p> <p>Source: Article VII, Section 1 of the Company's By-Laws (page 9)</p> |
| A.2. Right to participate in decisions concerning fundamental corporate changes. | |
| Do shareholders have the right to participate in: | |
| A.2.1 Amendments to the company's constitution? | <p>Answer: Yes. Default Item as per Insurance Commission Guidelines on Compliance with ACGS (Circular Letter No. 2015-13). As prescribed by the Corporation Code of the Philippines, the shareholders are given the right to participate in decisions concerning amendment of the Company's Articles of Incorporation, the authorization of additional shares, and the transfer of all or substantially all assets, if any.</p> <p>Source: Sections 36, 38 and 40 of the Corporation Code of the Philippines</p> |
| A.2.2 The authorization of additional shares? | |
| A.2.3 The transfer of all or substantially all assets, which in effect results in the sale of the company? | |
| A.3 Right to participate effectively in and vote in general shareholder meetings and <u>should be informed of the rules, including voting procedures, that govern general shareholder meetings.</u> | |

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| <p>A.3.1 Do shareholders have the opportunity, evidenced by an agenda item, to approve remuneration (fees, allowances, benefit-in-kind and other emoluments) or any increases in remuneration for the <u>non-executive directors/commissioners?</u></p> | <p>Answer: Yes Default Item as per Insurance Commission Guidelines on Compliance with ACGS (Circular Letter No. 2015-13). Under the Company's Manual of Corporate Governance, The Remuneration Committee has been tasked to assist the Board of Directors to carry out its responsibilities relating to executives' and directors' compensation/remuneration. The recommendation of the independent and non-executive directors' fees are then presented to the stockholders in the annual stockholders' meeting, for its approval. In the annual stockholders' meeting for the year 2015 & 2016, the stockholders approved the performance bonus of the external directors in the amount of P1.2 Million (gross). Source: By-Laws, Article II, Section 5, page 2 Minutes of the Annual Stockholders' Meeting dated 22 April 2015 Minutes of the Annual Stockholders' Meeting dated 28 April 2016 Notice Agenda of the Annual Stockholders Meeting</p> |
| <p>A.3.2 Does the company provide non-controlling shareholders a right to nominate candidates for board of directors/commissioners?</p> | <p>Answer: Yes. As prescribed by the Company By-Laws, all shareholders, whether controlling or minority), are given the right to nominate candidates for the Board. In the last annual stockholders' meeting for the year 2015 & 2016, although the minority stockholder was not present, the Corporate Secretary still informed the stockholders that the minority stockholder has the right to nominate member/s of the Board, in accordance with the Company's Articles of Incorporation & By-Laws. Source: By-Laws, Article II, Section 5, page 2 Minutes of the Annual Stockholders' Meeting dated 22 April 2015 Minutes of the Annual Stockholders' Meeting dated 28 April 2016</p> |

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| <p>A.3.3 Does the company allow shareholders to elect directors/commissioners individually?</p> | <p>Answer: Yes. As prescribed by Section 5 of the Company By-Laws, at every meeting of stockholders, such stockholder with voting privilege shall be entitled to one vote for each share of stock standing in his name on the books of the corporation; provided, however, that in the election of directors, each stockholder is entitled to cumulate his vote in the manner provided by law. During the annual stockholders' meeting, the stockholders were informed that each stockholder with voting privilege was entitled to one vote for each share of stock standing in his name on the books of the Company and to elect the directors individually.</p> <p>Source: By-Laws, Article II, Section 5, page 2 Minutes of the Annual Stockholders' Meeting dated 22 April 2015 Minutes of the Annual Stockholders' Meeting dated 28 April 2016</p> |
| <p>A.3.4 <u>Does the company disclose the voting and vote tabulation procedures used,</u> declaring both before the meeting proceeds?</p> | <p>Answer: Yes. Before the election process, the shareholders are informed of the voting method and vote counting system; each stockholder with voting privilege was informed that he/she is entitled to one vote for each share of stock standing in his name on the books of the Company. After the election process, the Corporate Secretary shall count the votes and thereafter declare the duly elected members of the Board.</p> <p>Source: 2015 Annual Report, page 18, Election of Directors Minutes of the Annual Stockholders' Meeting dated 22 April 2015 Minutes of the Annual Stockholders' Meeting dated 28 April 2016</p> |
| <p>A.3.5 Do the minutes of the most recent AGM record that there was an opportunity allowing for shareholders to ask questions or raise issues?</p> | <p>Answer: Yes. As stated in the Minutes of the Stockholders' Meeting of the Company, the Chairman encouraged the stockholders present to ask questions and raise issues, if any. Before ending the meeting, the Chairman again asked the stockholders if there were any questions or issues they would like to raise to Management and to the Board, to which the stockholders replied in the negative.</p> <p>Source: Minutes of the Annual Stockholders' Meeting dated 28 April 2016</p> |

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| <p>A.3.6 Do the minutes of the most recent AGM record questions and answers?</p> | <p>Answer: Yes. As stated in the Minutes of the Stockholders' Meeting of the Company, the Chairman encouraged the stockholders present to ask questions and raise issues, if any. Before ending the meeting, the Chairman again asked the stockholders if there were any questions or issues they would like to raise to Management and to the Board, to which the stockholders replied in the negative.</p> <p>Source: Minutes of the Annual Stockholders' Meeting dated 28 April 2016</p> |
| <p>A.3.7 Does the disclosure of the outcome of the most recent AGM include resolution(s)?</p> | <p>Answer: Yes. As stated in the Minutes of the Stockholders' Meeting of the Company, the stockholders passed and adopted resolutions on the approval of all the acts of Management, the Board of Directors, its standing committees, and the Executive Officers of the Company; the President's Annual Report and the 2015 Audited Financial Statements; the appointment of the independent auditors; and confirmation of annual bonus of the board of directors . All resolutions adopted during the meeting were unanimously approved by the stockholders present.</p> <p>Source: Minutes of the Annual Stockholders' Meeting dated 28 April 2016</p> |
| <p>A.3.8 Does the company disclose the voting results including approving, dissenting, and abstaining votes for each agenda item for the most recent AGM?</p> | <p>Answer: Yes. As stated in the Minutes of the Stockholders' Meeting of the Company, all resolutions adopted during the meeting were unanimously approved by the stockholders present. The minutes provide the voting results for each agenda item.</p> <p>Source: Minutes of the Annual Stockholders' Meeting dated 28 April 2016</p> |
| <p>A.3.9 Does the company disclose the list of board members who attended the most recent AGM?</p> | <p>Answer: Yes.</p> <p>The Meeting Minutes indicated the name of the members of the Board present in the meeting. Mr. Gordon T. Watson, Chairman; Mr. Ariel G. Cantos, Acting CEO (Mr. J. Axel Bromley, CEO was on medical leave); and Mr. Antonino Aquino attended the April 2016 Annual Stockholders' Meeting of the Company.</p> <p>Source: Minutes of the Annual Stockholders' Meeting dated 28 April 2016</p> |

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| <p>A.3.10 Did the chairman of the board of directors/commissioners attend the most recent AGM?</p> | <p>Answer: Yes. Mr. Gordon T. Watson, Chairman of the Board was present during the last Annual Stockholders' Meeting on 28 April 2016. Source: Minutes of the Annual Stockholders' Meeting dated 28 April 2016</p> |
| <p>A.3.11 Did the CEO/Managing Director/President attend the most recent AGM?</p> | <p>Answer: Yes. Mr. Ariel G. Cantos, Acting Chief Executive Officer attended was present during the last Annual Stockholders' Meeting on 28 April 2016. (Mr. J. Axel Bromley was on medical leave) Source: Minutes of the Annual Stockholders' Meeting dated 28 April 2016</p> |
| <p>A.3.12 Did the chairman of the Audit Committee attend the most recent AGM?</p> | <p>Answer: Yes. Mr. Antonino Aquino, Chairman of the Audit Committee, attended the last Annual Stockholders' Meeting on 28 April 2016. Source: Minutes of the Annual Stockholders' Meeting dated 28 April 2016</p> |
| <p>A.3.13 Did the company organize their most recent AGM in an easy to reach location?</p> | <p>Answer: Yes. The 2016 Annual Stockholders' Meeting was held at the principal office of the Company at the 18th Floor Philam Life Head Office, Net Lima Building, BGC, Taguig. Source: Minutes of the Annual Stockholders' Meeting dated 28 April 2016</p> |
| <p>A.3.14 Does the company allow for voting in absentia?</p> | <p>Answer: Yes. Default Item as per Insurance Commission Guidelines on Compliance with ACGS (Circular Letter No. 2015-13). Per Section 5 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. Source: By-Laws/Proxy Form</p> |

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| <p>A.3.15 Did the company vote by poll (as opposed to by show of hands) for all resolutions at the most recent AGM?</p> | <p>Answer: Not Applicable Item as per Insurance Commission Guidelines on Compliance with ACGS (Circular Letter No. 2015-13). Per Section 5 of the Company By-Laws, stockholders with voting privileges are entitled to one vote for each share of stock standing in his name on the books of the Company. Thus, the Chairman announced at the beginning of the stockholders' meeting that all resolutions shall be voted by poll (one vote for each share of stock held).</p> <p>Source: By-Laws, Article II, Section 5, page 2 Minutes of the Annual Stockholders' Meeting dated 22 April 2015 Minutes of the Annual Stockholders' Meeting dated 28 April 2016</p> |
| <p>A.3.16 Does the company disclose that it has appointed an independent party (scrutineers/inspectors) to count and/or validate the votes at the AGM?</p> | <p>Answer: Not Applicable Item as per Insurance Commission Guidelines on Compliance with ACGS (Circular Letter No. 2015-13). The Company does not require the appointment of an independent party to count or validate the votes at the stockholders' meeting since the Company is 99.99% owned by one shareholder (AIA). It is the Corporate Secretary who performs such function and records all votes and resolutions passed.</p> <p>Source: Minutes of the Annual Stockholders' Meeting dated 22 April 2015 Minutes of the Annual Stockholders' Meeting dated 28 April 2016</p> |
| <p>A.3.17 Does the company make publicly available by the next working day the result of the votes taken during the most recent AGM for all resolutions?</p> | <p>Remarks: Not Applicable Item as per Insurance Commission Guidelines on Compliance with ACGS (Circular Letter No. 2015-13). For private corporations, there is no legal and regulatory requirement to disclose by the next working day result of the votes taken during the most recent annual stockholders' meeting for all resolutions. The Company however ensures that the minutes of the stockholders' meeting and the General Information Sheet are submitted to the IC and the SEC, within 30 days from the date of meeting.</p> <p>Source: 2015 General Information Sheet (GIS) Minutes of the Annual Stockholders' Meeting dated 22 April 2015 Minutes of the Annual Stockholders' Meeting dated 28 April 2016</p> |

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| <p>A.3.18 Do companies provide at least 21 days notice for all resolutions?</p> | <p>Answer: Yes. The Company provided the Notice of Meeting with Agenda Items for Resolution at least 21 days prior to the actual meeting. For the 22 April 2015 Annual Stockholders' Meeting, the notice was sent on 27 March 2015. For 2016 Annual Stockholders Meeting, the notice was sent on 09 March 2016. Source: Notice Agenda of the 2015 Annual Stockholders' Meeting dated 27 March 2015 Notice Agenda of the 2016 Annual Stockholders' Meeting dated 09 March 2016</p> |
| <p>A.3.19 Does the company provide the rationale and explanation for each agenda item which require shareholders' approval in the notice of AGM/circulars and/or the accompanying statement?</p> | <p>Answer: Yes. The Company provides the agenda items which requires shareholders' approval in the Notice of the Annual Stockholders' Meeting. The shareholders are then given the shareholder pack which contains information, background and recommendations for stockholders' approval. Source: Notice Agenda of the 2015 Annual Stockholders' Meeting dated 27 March 2015 Notice Agenda of the 2016 Annual Stockholders' Meeting dated 09 March 2016</p> |
| <p>A.4 Markets for corporate control should be allowed to function in an efficient and transparent manner.</p> | |
| <p>A.4.1 In cases of mergers, acquisitions and/or takeovers, does the board of directors/commissioners of the offeree company appoint an independent party to evaluate the fairness of the transaction price?</p> | <p>Answer: Yes. Per the Company's Manual of Corporate Governance, the Board has the duty to review and approve the strategic and business plans, including operating and capital plans, of the Company. However in 2015, no such event transpired to warrant such action. Source: Philam Life Manual of Corporate Governance, page 1</p> |
| <p>A.5 The exercise of ownership rights by all shareholders, including institutional investors, should be facilitated.</p> | |
| <p>A.5.1 Does the company publicly disclose policies to encourage shareholders including institutional shareholders to attend the AGM?</p> | <p>Answer: N.A Not Applicable Item as per Insurance Commission Guidelines on Compliance with ACGS (Circular Letter No. 2015-13).The Company, on a yearly basis, releases its Annual Performance Report which contains among others the financial performance and position, company structure, company activities, marketing efforts, corporate governance policies and all other relevant information necessary for the shareholders as well as other stakeholders. Source: 2015 Annual Report</p> |

A.5.2 Is the share ownership by institutional investors, other than controlling shareholders, greater than 5%?

Answer: No. Philam Life has no institutional investor other than its own controlling shareholder (AIA), which owns 99.99% of the Company.

Source:

[2015 General Information Sheet](#)