

**Country** Philippines  
**Name** Philam Equitable Life Assurance Company, Inc.  
**StockCode**  
**Expert Name**  
**Sector** Insurance  
**Year** 2013  
**Date of Financial Year End** 31 December 2013

E		Responsibilities of the Board		
		Questions	Answers	Remarks & Source Document
E.1		Clearly defined board responsibilities and corporate governance policy		
E.1.1		Are the roles and responsibilities of the board of directors/commissioners clearly stated ?	Y	<b>Remarks:</b> The roles and responsibilities of the Board of Directors of the Company are clearly set forth in the Company By-Laws and Manual of Corporate Governance Manual. <b>Source Document:</b> <ul style="list-style-type: none"> <li>• Articles of Incorporation (AOI)</li> <li>• By-Laws</li> <li>• Manual of Corporate Governance</li> <li>• Annual Report</li> <li>• Company Website</li> </ul>
E.1.2		Are the types of decisions requiring board of directors/commissioners' approval disclosed ?	Y	<b>Remarks:</b> The decisions requiring Board approval are clearly set forth in the agenda of meeting of the Board, as required by the Company AOI, By-Laws and Manual of Corporate Governance Manual. <b>Source Document:</b> <ul style="list-style-type: none"> <li>• Articles of Incorporation (AOI)</li> <li>• By-Laws</li> <li>• Manual of Corporate Governance</li> <li>• Annual Report</li> <li>• Company Website</li> </ul>
E.1.3		Does the company disclose its corporate governance policy / board charter?	Y	<b>Remarks:</b> The decisions requiring Board approval are clearly set forth in the agenda of meeting of the Board, as required by the Company AOI, By-Laws and Manual of Corporate Governance Manual. <b>Source Document:</b> Annual Report, 4
E.2		<b>Code of ethics or conduct</b>		
E.2.1		Does the company have a code of ethics or conduct?	Y	<b>Remarks:</b> The Company has its own Code of Conduct and Market Conduct Guidelines. <b>Source Document:</b> Annual Report, p. 11, Corporate Policies

E	Responsibilities of the Board		
E.2.2	Are the details of the code of ethics or conduct disclosed?	Y	<p><b>Remarks:</b> The Company has its own Code of Conduct and Market Conduct Guidelines.</p> <p><b>Source Document:</b> Annual Report, p. 11, Corporate Policies</p>
E.2.3	Does the company disclose that all directors/commissioners, senior management and employees are required to comply with the code?	Y	<p><b>Remarks:</b> The policy requires all directors, senior management and employees to comply with the abovementioned Codes.</p> <p><b>Source Document:</b> Announcement on Compliance w/ Manual of Corporate Governance</p>
E.2.4	Does the company disclose how it implements and monitors compliance with the code of ethics or conduct?	Y	<p><b>Remarks:</b> The implementation and monitoring of the abovementioned codes are provided in the Company Website.</p> <p><b>Source Document:</b> Website</p>
E.3	<b>Corporate Vision/Mission</b>		
E.3.1	Does the board of directors/commissioners periodically review and approve the vision and mission?	Y	<p><b>Remarks:</b> As part of its duties and responsibilities spelled out in the Manual of Corporate Governance, the Board of Directors periodically review and approve the vision and mission of the Company.</p> <p><b>Source Document:</b> Manual of Corporate Governance/Website</p>
E.4	<b>Board Structure &amp; Composition</b>		
E.4.1	Does the board of directors/ commissioners comprise at least five members and no more than 12 members? (i.e., between 5 - 12 members)	Y	<p><b>Remarks:</b> The Board of Directors of the Company is currently composed of seven (7) members.</p> <p><b>Source Document:</b></p> <ul style="list-style-type: none"> <li>• Annual Report, p. 5-9</li> <li>• By-Laws, Article IV, Section 2</li> </ul>
E.4.2	Do independent, non-executive directors/commissioners number at least three <u>and</u> make up more than 50% of the board of directors/commissioners?	N	<p><b>Remarks:</b></p> <p><b>Source Document:</b></p>
E.4.3	Does the company provide a definition of independence in its Annual Report?	Y	<p><b>Remarks:</b> The Annual Report expressly define the meaning and qualification of an independent director.</p> <p><b>Source Document:</b> Annual Report, p. 5</p>

E Responsibilities of the Board			
E.4.4	Are the independent directors/commissioners independent of management and major/ substantial shareholders?	Y	<p><b>Remarks:</b> The independent directors of the Company are well qualified and competent to hold said positions, and are independent of management and the major shareholders of the Company.</p> <p><b>Source Document:</b> Annual Report, p. 6-7</p>
E.4.5	Does the company have a term limit of nine years or less for its independent directors/commissioners?	N/A	<p><b>Remarks:</b></p> <p><b>Source Document:</b></p>
E.4.6	Has the company set a limit of five board seats in publicly-listed companies that an individual director/commissioner may hold simultaneously?	N	<p><b>Remarks:</b></p> <p><b>Source Document:</b></p>
E.4.7	Does the company have any independent directors/commissioners who serve on more than five boards of publicly-listed companies?	N	<p><b>Remarks:</b> The Company currently has no independent directors who serve on more than five boards of publicly-listed companies.</p> <p><b>Source Document:</b></p>
E.4.8	Does the company have any executive directors who serve on more than two boards of listed companies outside of the group?	N	<p><b>Remarks:</b></p> <p><b>Source Document:</b></p>
<b>E.5 Skills and Competencies</b>			
E.5.1	Does at least one non-executive director/commissioner have prior working experience in the major industry the company is operating in?	N	<p><b>Remarks:</b></p> <p><b>Source Document:</b></p>
E.5.2	Does the company disclose a board of directors/commissioners diversity policy?	N	<p><b>Remarks:</b> The Company currently has not disclosed a board of directors diversity policy.</p> <p><b>Source Document:</b></p>

E	Responsibilities of the Board		
E.6	<b>Board Chairman</b>		
E.6.1	Do different persons assume the roles of chairman and CEO?	Y	<p><b>Remarks:</b> The Chairman of the Board position is currently being held by Mr. Rex Ma. A. Mendoza, while the Chief Executive Officer position is currently being occupied by Mr. Jose Roel V. Teves</p> <p><b>Source Document:</b> Annual Report, p. 5-6</p>
E.6.2	Is the chairman a non-executive director/commissioner?	N	<p><b>Remarks:</b> The Chairman of the Board, Mr. Rex Ma. A. Mendoza is considered as executive director of the Company.</p> <p><b>Source Document:</b> Annual Report, p. 5</p>
E.6.3	Is the chairman an independent director/commissioner?	N	<p><b>Remarks:</b> The Chairman of the Board, Mr. Rex Ma. A. Mendoza is considered as executive director of the Company.</p> <p><b>Source Document:</b> Annual Report, p. 5</p>
E.6.4	Is the chairman the current or immediate past CEO?	N	<p><b>Remarks:</b> The Chairman of the Board, Mr. Rex Ma. A. Mendoza is considered as executive director of the Company.</p> <p><b>Source Document:</b> Annual Report, p. 5</p>
E.6.5	Are the role and responsibilities of the chairman disclosed?	Y	<p><b>Remarks:</b> The roles and responsibilities of the Chairman of the Board are explicitly spelled out in the Manual of Corporate Governance and Company By-Laws, and are disclosed in the Company Website.</p> <p><b>Source Document:</b></p> <ul style="list-style-type: none"> <li>• Manual of Corporate Governance</li> <li>• By-Laws</li> </ul>
E.7	<b>Board meetings and attendance</b>		
E.7.1	Are the board of directors/commissioners meetings scheduled before or at the beginning of the year?	Y	<p><b>Remarks:</b> The Company Corporate Secretary schedules the quarterly meetings of the Board at the beginning of the year, subject to changes depending on the availability of the directors.</p> <p><b>Source Document:</b> Annual Report, p. 19</p>
E.7.2	Does the board of directors/commissioners meet at least six times per year?	N	<p><b>Remarks:</b></p> <p><b>Source Document:</b></p>
E.7.3	Has each of the directors/commissioners attended at least 75% of all the board meetings held during the year?	Y	<p><b>Remarks:</b> In 2013, the Board of Directors met four (4) times with overall attendance rate of 92.85%.</p> <p><b>Source Document:</b> Annual Report, p. 10</p>

<b>E</b>		<b>Responsibilities of the Board</b>			
E.7.4	Does the company require a minimum quorum of at least 2/3 for board decisions?	N		<b>Remarks:</b>	
				<b>Source Document:</b>	
E.7.5	Did the non-executive directors/commissioners of the company meet separately at least once during the year without any executives present?	N		<b>Remarks:</b>	
				<b>Source Document:</b>	
E.8	<b>Orientation Programme for New Directors</b>				
E.8.1	Does the company have orientation programmes for new directors/commissioners?	Y		<b>Remarks:</b> In order for the directors have ample time to go over and review the documents to presented in the meeting, the Corporate Secretary ensures that the materials are received by the directors at least five (5) working days before the scheduled meeting.	
				<b>Source Document:</b> Annual Report, p. 4	
E.9	<b>Director Training</b>				
E.9.1	Does the company have a policy that encourages directors/commissioners to attend on-going or continuous professional education programmes?	N		<b>Remarks:</b>	
				<b>Source Document:</b>	
E.10	<b>Access to information</b>				
E.10.1	Are board papers for board of directors/commissioners meetings provided to the board at least five business days in advance of the board meeting?	Y		<b>Remarks:</b> The Company encourages the directors to attend continuous professional education programs such as Professional Directors' Program of the Institute of Corporate Directors. In fact, several directors of the Company are already ICD Fellows.	
				<b>Source Document:</b> Website (By-Laws)	
E.10.2	Does the company secretary play a significant role in supporting the board in discharging its responsibilities?	Y		<b>Remarks:</b> As mandated by the Company By-Laws and the Manual of Corporate Governance, the Company Secretary plays a very significant role in supporting the Board in discharging its responsibilities.	
				<b>Source Document:</b> Website (By-Laws, p. 10) Annual Report, p. 4	

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Responsibilities of the Board			
E.10.3	Is the company secretary trained in legal, accountancy or company secretarial practices?	Y	<p><b>Remarks:</b> Atty. Carla J. Domingo has significant training and experience to efficiently and competently perform her duties as Philam Life's Corporate Secretary.</p> <p><b>Source Document:</b> Annual Report, p. 9</p>

E.11	<b>Nominating Committee</b>		
E.11.1	Does the company have a Nominating Committee (NC)?	Y	<p><b>Remarks:</b> PELAC's Nomination Committee is composed of Mr. Rex Ma. A. Mendoza as Chairman, and Ms. Adoracion R. Go and Mr. Ernesto R. Lagdameo as members.</p> <p><b>Source Document:</b></p> <ul style="list-style-type: none"> <li>• Annual Report, p. 10</li> <li>• Manual of Corporate Governance, p. 4</li> </ul>
E.11.2	Does the Nominating Committee comprise of a majority of independent directors/commissioners?	N	<p><b>Remarks:</b> PELAC's Nomination Committee is composed of one (1) independent director and three (2) executive directors.</p> <p><b>Source Document:</b> Annual Report, p. 10</p>
E.11.3	Is the chairman of the Nominating Committee an independent director/commissioner?	N	<p><b>Remarks:</b> PELAC's Nomination Committee is Chaired by Mr. Rex Ma. A. Mendoza</p> <p><b>Source Document:</b></p>
E.11.4	Does the company disclose the terms of reference/ governance structure/charter of the Nominating Committee?	Y	<p><b>Remarks:</b> The Board has approved the Nomination &amp; Governance Committee Charter, which basically sets forth the duties and responsibilities of the Committee.</p> <p><b>Source Document:</b> Charter (Website)</p>
E.11.5	Does the Annual Report disclose the number of Nominating Committee meetings held?	Y	<p><b>Remarks:</b> The Annual Report disclosed that the Nomination Committee met once in 2013 with overall attendance rate of 100%.</p> <p><b>Source Document:</b> Annual Report, p. 10</p>
E.11.6	Did the Nominating Committee meet at least twice during the year?	N	<p><b>Remarks:</b> The Annual Report disclosed that the Nomination Committee met once in 2013 with overall attendance rate of 100%.</p> <p><b>Source Document:</b></p>
E.11.7	Is the attendance of members at Nominating Committee meetings disclosed?	Y	<p><b>Remarks:</b> The Annual Report disclosed that the Nomination Committee met once in 2013 with overall attendance rate of 100%.</p> <p><b>Source Document:</b> Annual Report, p. 10</p>

E		Responsibilities of the Board	
E.12	<b>Board Appointments and Re-Election</b>		
E.12.1	Does the company disclose the <u>criteria used in selecting</u> new directors/commissioners?	Y	<p><b>Remarks:</b> The Manual of Corporate Governance explicitly provides the qualifications and disqualifications (permanent and temporary) which the Board should use in selecting new directors.</p> <p><b>Source Document:</b> Manual of Corporate Governance, p. 5</p>
E.12.2	Does the company disclose the <u>process followed in appointing</u> new directors/commissioners?	Y	<p><b>Remarks:</b> The Company has disclosed in the Website and in the Annual Report the process followed in appointing and electing new directors.</p> <p><b>Source Document:</b></p> <ul style="list-style-type: none"> <li>• Annual Report, p. 4</li> <li>• Nomination Committee Charter</li> </ul>
E.12.3	Are all the directors/commissioners subject to re-election at least once every three years?	Y	<p><b>Remarks:</b> All the directors have been subjected to re-election at least once every three (3) years.</p> <p><b>Source Document:</b> Corporate Website (By-Laws)</p>
E.13	<b>CEO/Executive Management Appointments and Performance</b>		
E.13.1	Does the company disclose how the board of directors/commissioners plans for the succession of the CEO/Managing Director/President and key management?	N	<p><b>Remarks:</b> The Company currently does not disclose how the board of directors plan for the succession of the CEO &amp; President and key management.</p> <p><b>Source Document:</b></p>
E.13.2	Does the board of directors/commissioners conduct an annual performance assessment of the CEO/Managing Director/President?	Y	<p><b>Remarks:</b> The Company conducts an annual performance assessment of the President &amp; CEO, the Board, the Board Chairman, and the Board-sanctioned Committees.</p> <p><b>Source Document:</b> Annual Report, p. 5</p>
E.14	<b>Board Appraisal</b>		
E.14.1	Is an annual performance assessment conducted of the board of directors/commissioners?	Y	<p><b>Remarks:</b> The Company conducts an annual performance assessment of the President &amp; CEO, the Board, the Board Chairman, and the Board-sanctioned Committees.</p> <p><b>Source Document:</b> Annual Report, p. 5</p>

<b>E</b>		<b>Responsibilities of the Board</b>	
E.14.2	Does the company disclose the process followed in conducting the board assessment?	Y	<p><b>Remarks:</b> The Company discloses the processes and criteria being followed in conducting the board assessment.</p> <p><b>Source Document:</b> Annual Report, p. 5</p>
E.14.3	Does the company disclose the criteria used in the board assessment?	Y	<p><b>Remarks:</b> The Company discloses the processes and criteria being followed in conducting the board assessment.</p> <p><b>Source Document:</b> Annual Report, p. 18</p>
E.15	<b>Director Appraisal</b>		
E.15.1	Is an annual performance assessment conducted of individual director/commissioner?	Y	<p><b>Remarks:</b> The Company conducts an annual performance assessment of the President &amp; CEO, the Board, the Board Chairman, the directors and the Board-sanctioned Committees.</p> <p><b>Source Document:</b> Annual Report, p. 5</p>
E.15.2	Does the company disclose the process followed in conducting the director/commissioner assessment?	Y	<p><b>Remarks:</b> The Company discloses the processes and criteria being followed in conducting the assessment of the directors.</p> <p><b>Source Document:</b> Annual Report, p. 5</p>
E.15.3	Does the company disclose the criteria used in the director/commissioner assessment?	Y	<p><b>Remarks:</b> The Company discloses the processes and criteria being followed in conducting the assessment of the directors.</p> <p><b>Source Document:</b> Annual Report, p. 5</p>
E.16	<b>Committee Appraisal</b>		
E.16.1	Is an annual performance assessment conducted of the board of directors/commissioners committees?	Y	<p><b>Remarks:</b> The Company conducts an annual performance assessment of the President &amp; CEO, the Board, the Board Chairman, the directors and the Board-sanctioned Committees.</p> <p><b>Source Document:</b> Annual Report, p. 5</p>



E	Responsibilities of the Board		
E.17	<b>Remuneration Committee/ Compensation Committee</b>		
E.17.1	Does the company have a Remuneration Committee?	Y	<p><b>Remarks:</b> PELAC has a Remuneration Committee composed of Mr. Rex Ma. A. Mendoza as Chairman, Mr. Ernersto R. Lagdameo, Jr and Ms. Adoracion R. Go</p> <p><b>Source Document:</b></p> <ul style="list-style-type: none"> <li>• Charter</li> <li>• Manual of Corporate Governance</li> <li>• Annual Report, p. 10</li> </ul>
E.17.2	Does the Remuneration Committee comprise of a majority of independent directors/commissioners?	N	<p><b>Remarks:</b> BPI-Philam' s Remuneration Committee is composed of one (1) independent director and two (2) non-executive directors.</p> <p><b>Source Document:</b> Annual Report, 10</p>
E.17.3	Is the chairman of the Remuneration Committee an independent director/commissioner?	N	<p><b>Remarks:</b> PELAC's Remuneration Committee is chaired by Mr. Rex Ma. A. Mendoza an executive director.</p> <p><b>Source Document:</b> Annual Report, p. 10</p>
E.17.4	Does the company disclose the terms of reference/ governance structure/ charter of the Remuneration Committee?	Y	<p><b>Remarks:</b> The Board has approved the Compensation Committee Charter, which basically sets forth the duties and responsibilities of the Committee.</p> <p><b>Source Document:</b> Charter/Website</p>
E.17.5	Does the Annual Report disclose the number of Remuneration Committee meetings held?	N	<p><b>Remarks:</b> No Remuneration Committee meeting held for the year 2013</p> <p><b>Source Document:</b></p>
E.17.6	Did the Remuneration Committee meet at least twice during the year?	N	<p><b>Remarks:</b> No Remuneration Committee meeting held for the year 2013</p> <p><b>Source Document:</b></p>
E.17.7	Is the attendance of members at Remuneration Committee meetings disclosed?	N	<p><b>Remarks:</b> No Remuneration Committee meeting held for the year 2013</p> <p><b>Source Document:</b></p>
E.18	<b>Remuneration Matters</b>		
E.18.1	Does the company disclose its remuneration (fees, allowances, benefit-in-kind and other emoluments) policy (i.e. the use of short term and long term incentives and performance measures) for its executive directors and CEO?	N	<p><b>Remarks:</b> The Company does not disclose its remuneration for its executive directors and CEO.</p> <p><b>Source Document:</b></p>
E.18.2	Is there disclosure of the fee structure for non-executive directors/commissioners?	Y	<p><b>Remarks:</b> The General Information Sheet discloses the fee structure for non-executive directors, which was approved in the Annual Stockholders Meeting.</p> <p><b>Source Document:</b></p> <ul style="list-style-type: none"> <li>• Minutes of the Stockholders Meeting</li> <li>• General Information Sheet</li> </ul>

E	Responsibilities of the Board		
E.18.3	Do the shareholders or the Board of Directors approve the remuneration of the executive directors and/or the senior executives?	N	<p><b>Remarks:</b></p> <p><b>Source Document:</b></p>
E.18.4	Do independent non-executive directors/commissioners receive options, performance shares or bonuses?	Y	<p><b>Remarks:</b> During the last annual stockholders' meeting, the stockholders approved the remuneration of the directors.</p> <p><b>Source Document:</b> Minutes of the Stockholders' Meeting</p>
E.19	<b>Audit Committee</b>		
E.19.1	Does the company have an Audit Committee?	Y	<p><b>Remarks:</b> PELAC has an Audit Committee composed of Mr. Ernesto R. Lagdameo, Jr. as Chairman, Ms. Victoria S. Licuanan and Ms. Ma. Adoracion R. Go</p> <p><b>Source Document:</b></p> <ul style="list-style-type: none"> <li>• Charter</li> <li>• Manual of Corporate Governance</li> <li>• Annual Report, p. 10</li> </ul>
E.19.2	Does the Audit Committee comprise entirely of non-executive directors/commissioners with a majority of independent directors/commissioners?	Y	<p><b>Remarks:</b> PELAC' s Audit Committee is composed of 2 independent directors and 1 executive director.</p> <p><b>Source Document:</b></p> <ul style="list-style-type: none"> <li>• Charter</li> <li>• Annual Report, p. 18</li> </ul>
E.19.3	Is the chairman of the Audit Committee an independent director/commissioner?	Y	<p><b>Remarks:</b> PELAC' s Audit Committee is chaired by Mr. Ernesto R. Lagdameo, Jr., an independent director of the Company.</p> <p><b>Source Document:</b></p> <ul style="list-style-type: none"> <li>• Charter</li> <li>• Annual Report, p. 10</li> </ul>
E.19.4	Does the company disclose the terms of reference/governance structure/charter of the Audit Committee?	Y	<p><b>Remarks:</b> The Board has approved the Audit Committee Charter, which basically sets forth the duties and responsibilities of the Committee.</p> <p><b>Source Document:</b> Charter</p>

E	Responsibilities of the Board		
E.19.5	Does the Annual Report disclose the profile or qualifications of the Audit Committee members?	Y	<p><b>Remarks:</b> The Annual Report fully disclosed the profile and qualifications of the Audit Committee members.</p> <p><b>Source Document:</b> Annual Report, p. 6-7 &amp; 9</p>
E.19.6	Does at least one of the independent directors/commissioners of the committee have accounting expertise (accounting qualification or experience)?	Y	<p><b>Remarks:</b> All members of the Audit Committee have significant account qualification and experience.</p> <p><b>Source Document:</b> Annual Report, p. 6-7 &amp; 9</p>
E.19.7	Does the Annual Report disclose the number of Audit Committee meetings held?	Y	<p><b>Remarks:</b> The Annual Report disclosed that the Audit Committee met once in 2013 with overall attendance rate of 66.66%.</p> <p><b>Source Document:</b> Annual Report, p. 10</p>
E.19.8	Did the Audit Committee meet at least four times during the year?	N	<p><b>Remarks:</b> The Annual Report disclosed that the Audit Committee met once in 2013 with overall attendance rate of 66.66%.</p> <p><b>Source Document:</b> Annual Report, p. 10</p>
E.19.9	Is the attendance of members at Audit Committee meetings disclosed?	Y	<p><b>Remarks:</b> The Annual Report disclosed that the Audit Committee met once in 2013 with overall attendance rate of 66.66%.</p> <p><b>Source Document:</b> Annual Report, p. 10</p>
E.19.10	Does the Audit Committee have primary responsibility for recommendation on the appointment, re-appointment and removal of the external auditor?	Y	<p><b>Remarks:</b> The Audit Committee has the primary responsibility for recommendation on the appointment, re-appointment and removal of the external auditor. Every year, the Audit Committee endorses and recommends to the Board for approval the external auditor of the Company.</p> <p><b>Source Document:</b> Charter/Website</p>
E.20	<b>Internal Audit</b>		
E.20.1	Does the company have a separate internal audit function?	N	<p><b>Remarks:</b> PELAC shares w/ its parent company's Internal Audit Department</p> <p><b>Source Document:</b> Website/Charter</p>
E.20.2	Is the head of internal audit identified or, if outsourced, is the name of the external firm disclosed?	N	<p><b>Remarks:</b></p> <p><b>Source Document:</b></p>

<b>E</b>	<b>Responsibilities of the Board</b>		
E.20.3	Does the appointment and removal of the internal auditor require the approval of the Audit Committee?	Y	<b>Remarks:</b> The appointment and removal of PELAC's Internal Auditor require the approval of the Audit Committee. <b>Source Document:</b> Charter/Website
E.21	<b>Risk Oversight</b>		
E.21.1	Does the company disclose the internal control procedures/risk management systems it has in place?	N	<b>Remarks:</b> <b>Source Document:</b>
E.21.2	Does the Annual Report disclose that the board of directors/commissioners has conducted a review of the company's material controls (including operational, financial and compliance controls) and risk management systems?	N	<b>Remarks:</b> <b>Source Document:</b>
E.21.3	Does the company disclose how key risks are managed?	N	<b>Remarks:</b> <b>Source Document:</b>