

Company: Philam Equitable Life Assurance Company, Inc.

Sector: Insurance

Financial Year End: 31 December 2014

Company Structure: Class 1

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, 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?	Y	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 VIII, Section 2, page 6 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). Source: By-Laws, Article VIII, Section 2, page 16
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?	Y	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. Source: Sections 36, 38 and 40 of the Corporation Code of the Philippines
A.2.2	The authorization of additional shares?	Y	
A.2.3	The transfer of all or substantially all assets, which in effect results in the sale of the company?	Y	

A.3	Right to participate effectively in and vote in general shareholder meetings and <u>should</u> be informed of the rules, including voting procedures, that govern general shareholder meetings.		
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 non-executive directors/commissioners?	Y	<p>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 dated 03 April 2014, the stockholders approved the performance bonus of the external directors in the amount of P300,000.00 (gross).</p> <p>Sources: Notice Agenda of the Stockholders' Meeting Minutes of the Stockholders' Meeting dated</p>
A.3.2	Does the company provide non-controlling shareholders a right to nominate candidates for board of directors/commissioners?	Y	<p>Not Applicable Item as per Insurance Commission Guidelines on Compliance with ACGS (Circular Letter No. 2015-13). As prescribed by the Company By-Laws, all shareholders, whether controlling or minority), are given the right to nominate candidates for the Board.</p> <p>Source: Minutes of the Stockholders' Meeting dated 03 April 2014</p>
A.3.3	Does the company allow shareholders to elect directors/commissioners individually?	Y	<p>As prescribed by the Company By-Laws, Article III, Section 6, page 2, 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.</p> <p>Source: By-Laws, Article III, Section 6, page 2 Minutes of the Stockholders' Meeting date 03 April 2014</p>

A.3.4	<u>Does the company disclose the voting and vote tabulation procedures used,</u> declaring both before the meeting proceeds?	Y	Not Applicable Item as per Insurance Commission Guidelines on Compliance with ACGS (Circular Letter No. 2015-13). Before the election process, the shareholders are informed of the voting method and vote counting system. Sources: By-Laws, Article III, Section 6 (p. 2) Minutes of the Stockholders' Meeting dated 03 April 2014
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?	Y	Not Applicable Item as per Insurance Commission Guidelines on Compliance with ACGS (Circular Letter No. 2015-13). The Minutes of the Stockholders' Meetings of the Company have always amply provided the following information: 1) questions and issues raised by the directors and shareholders; 2) resolutions approved, passed and adopted by the shareholders; 3) the voting results, including approving, dissenting, and abstaining votes for each proposed resolution; 4) the name of the members of the Board present in the meeting; Mr. Rex Ma. A. Mendoza (Chairman up to 07 July 2104), Mr. Reynaldo C. Centeno (CEO up to 13 October 2014), and Mr. Ernesto R. Lagdameo have all attended the most recent Annual Stockholders' Meeting of the Company. Source: Stockholders' Meeting Minutes dated 03 April 2014
A.3.6	Do the minutes of the most recent AGM record questions and answers?	Y	
A.3.7	Does the disclosure of the outcome of the most recent AGM include resolution(s)?	Y	
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?	Y	
A.3.9	Does the company disclose the list of board members who attended the most recent AGM?	Y	
A.3.10	Did the chairman of the board of directors/commissioners attend the most recent AGM?	Y	
A.3.11	Did the CEO/Managing Director/President attend the most recent AGM?	Y	
A.3.12	Did the chairman of the Audit Committee attend the most recent AGM?	Y	

A.3.13	Did the company organize their most recent AGM in an easy to reach location?	Y	<p>The 2014 Annual Stockholders' Meeting was held at the principal office of the Company at the 2nd Floor, Philamlife Salcedo Center Building, 126 L.P. Leciste Street, Salcedo Village, 1227 Makati City</p> <p>Source: Minutes of the Stockholders' Meeting dated 03 April 2014</p>
A.3.14	Does the company allow for voting in absentia?	Y	<p>Default Item as per Insurance Commission Guidelines on Compliance with ACGS (Circular Letter No. 2015-13). Per Article III, Section 7 of the Company By-Laws, each stockholder entitled to vote at a meeting of stockholders my vote by proxy, provided the proxy has been appointed in writing by the stockholder himself or by his duly authorized signatory.</p> <p>Sources: By-Laws, Article III, Section 7, p. 2 Stockholders' Meeting Minutes by proxy dated 03 April 2104</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?	N/A	<p>Not Applicable Item as per Insurance Commission Guidelines on Compliance with ACGS (Circular Letter No. 2015-13). Per Article III, Section 6 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, all resolutions approved, passed and adopted by the shareholders are voted by poll (one vote for each share of stock held).</p> <p>Sources: By-Laws, Article III, Section 6, p. 2 Stockholders' Meeting Minutes by proxy dated 03 April 2014</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?	N/A	<p>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>

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?	N/A	<p>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>Sources: 2014 General Information Sheet (GIS) Stockholders' Meeting Minutes dated 03 April 2104</p>
A.3.18	Do companies provide at least 21 days notice for all resolutions?	Y	<p>The Company provided the Notice of Meeting with Agenda Items for Resolution at least 21 days prior to the actual meeting. For the 03 April 2014 Annual Stockholders' Meeting, the notice was sent on 07 March 2014.</p> <p>Source: Notice Agenda of Annual Stockholders' Meeting dated 07 March 2014</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?	Y	<p>The Company provides the agenda items which requires shareholders' approval in the Notice of the Annual Stockholders' Meeting.</p> <p>Sources: Notice Agenda of Annual Stockholders' Meeting dated 07 March 2014</p>
A.4	Markets for corporate control should be allowed to function in an efficient and transparent manner.		
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?	N/A	<p>Not Applicable Item as per Insurance Commission Guidelines on Compliance with ACGS (Circular Letter No. 2015-13).</p>

A.5	The exercise of ownership rights by all shareholders, including institutional investors, should be facilitated.		
A.5.1	Does the company publicly disclose policies to encourage shareholders including institutional shareholders to attend the AGM?	N/A	Not Applicable Item as per Insurance Commission Guidelines on Compliance with ACGS (Circular Letter No. 2015-13).
A.5.2	Is the share ownership by institutional investors, other than controlling shareholders, greater than 5%?	N	<p>PELAC has no institutional investors other than its own controlling shareholder.</p> <p>Source: 2014 General Information Sheet, page 4</p>