

COMPANY NAME : **PHILAM EQUITABLE LIFE ASSURANCE COMPANY, INC.**
COMPANY STRUCTURE : **CLASS 1**
FINANCIAL YEAR END : **2016**
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?	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>Source Documents:</p> <ul style="list-style-type: none"> ▪ 2016 Annual Report, page 6 - List of Stockholders ▪ 2016 General Information Sheet, pages 4-5
D.1.2	Does the company disclose the direct and indirect (deemed) shareholdings of major and/or substantial shareholders?	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>Source Documents:</p> <ul style="list-style-type: none"> ▪ 2016 Annual Report, page 6 - List of Stockholders ▪ 2016 General Information Sheet, pages 4-5
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>Source Documents:</p> <ul style="list-style-type: none"> ▪ 2016 Annual Report, page 6 - List of Stockholders ▪ 2016 General Information Sheet, pages 4-5

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>Source Documents: 2016 Annual Report, page 6 - List of Stockholders 2016 General Information Sheet, pages 4 to 5</p>
D.1.5	Does the company disclose details of the parent/holding company, subsidiaries, associates, joint ventures and special purpose enterprises/ vehicles (SPEs)/ (SPVs)?	Y	<p>Not Applicable Item as per Insurance Commission Guidelines on Compliance with ACGS (Circular Letter No. 2015-13).</p> <p>PELAC has various affiliates and subsidiary such as BPI-Philam Life Assurance Corporation (BPLAC), which is a strategic alliance between two leading financial companies in the Philippines – Philam Life and Bank of the Philippine Islands (BPI). Philam Asset Management, Inc. (PAMI), a wholly owned affiliate of Philam Life, is an asset management company that administers, distributes and provides investment advisory to nine mutual funds namely Philam Managed Income Fund, Philam Bond Fund, PAMI Global Bond Fund, and Philam Dollar Bond Fund, Philam Fund, PAMI Asia Balanced Fund, PAMI Horizon Fund, PAMI Equity Index Fund and Philam Strategic Growth Fund. Philam Life has other affiliate companies such as Philam Call Center, Philam Properties Corporation, etc. The Annual Report discloses details of the Philam Life's affiliates, subsidiaries, and joint ventures.</p> <p>Source Documents:</p> <ul style="list-style-type: none"> ▪ 2016 Annual Report, page 6 - List of Stockholders ▪ 2016 General Information Sheet, page 1
D.2	Quality of Annual Report		
	<i>Does the company's annual report disclose the following items:</i>		
D.2.1	Key risks	N	

D.2.2	Corporate objectives	Y	The Company's corporate objectives are sufficiently disclosed in the Company's Annual Report. Source Document: 2016 Annual Report
D.2.3	Financial performance indicators	Y	The particular item is sufficiently disclosed in the Annual Performance Report of the Company. Source Document: 2016 Annual Report
D.2.4	Non-financial performance indicators	N	
D.2.5	Dividend policy	Y	The particular item is sufficiently disclosed in the Annual Performance Report of the Company. Source Document: 2016 Annual Report, Dividend Policy, page 19
D.2.6	Details of whistle-blowing policy	Y	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

			<p>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) 1010-5511-00-00-245-4179 or (Globe) 105-11-800-245-4179, 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>Source Document: 2016 Annual Report, Whistleblowing Program, page 18</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>Source Document: 2016 Annual Report, Board of Directors' Profile, page 7 - 9</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 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>Source Document: 2016 Annual Report, page 13 – ORIENTATION PROGRAMME AND TRAINING</p>

D.2.9	Number of board of directors/commissioners meetings held during the year	Y	<p>In 2016, the Board of Directors of PELAC met five (5) times, as properly disclosed in the Annual Report of the Company. The following are the dates of the Board of Directors' meetings:</p> <p>25 April 2016 23 June 2016 12 August 2016 12 October 2016 25 November 2016</p> <p>Source Document: 2016 Annual Report, page 11 – Meetings held and attended for the year 2016</p>
D.2.10	Attendance details of each director/commissioner in respect of meetings held	Y	<p>The attendance details of the each director are disclosed in the 2016 Annual Report.</p> <p>The following directors attended all five (5) meetings of the Board, for an attendance rate of 100%:</p> <ol style="list-style-type: none"> 1. Ernesto R. Lagdameo, Jr. 2. Victoria S. Licuanan 3. Eric S. Lustre 4. Maria Adoracion R. Go <p>Messrs. Rosenthal and Sumner attended four (4) of the five meetings (80%), while Mr. Ariel G. Cantos only attended two (2) meetings (40%) since he was only elected 04 June 2016. Mr. Bromley was not able to attend the first two meetings as he was on medical leave and was replaced by Mr. Cantos on 24 June 2016.</p> <p>Source Document: 2016 Annual Report, page 11 – Meetings held and attended for the year 2016</p>
D.2.11	Details of remuneration of each member of the board of directors/commissioners	N	<p>The particular item was not disclosed in the Annual Performance Report of the Company.</p>

Corporate Governance Confirmation Statement			
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?	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>Source Document: 2016 Annual Report, page 11, Corporate Governance</p>
D.3.	Disclosure of related party transactions (RPT)		
D.3.1	Does the company disclose its policy covering the review and approval of material/significant RPTs?	Y	<p>PELAC abides by its policy that ensures all transactions between related parties are 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.</p> <p>Related party relationship exists and details of Related Party Transactions are provided in the 2016 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.</p> <p>Source Documents:</p> <ul style="list-style-type: none"> ▪ 2016 Annual Report, page 13 – RELATED PARTY TRANSACTION ▪ Manual of Corporate Governance, page 13

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: 2016 Annual Report, Related Party Transactions, page 13
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 2016 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. Source Document: 2016 Annual Report, Related Party Transactions, page 13
D.4	Directors and commissioners dealings in shares of the company		
D.4.1	Does the company disclose trading in the company's shares by insiders?	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. Source Document: 2016 Annual Report, p. 16. Prevention of Insider Trading & Price Sensitive Information
D.5	External auditor and Auditor Report		
D.5.1	Are audit fees disclosed?	N	The Company deems not to disclose the Audit Fees of the External Auditor.
	<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?	N/A	Not applicable since the same audit firm is engaged for both audit and non-audit services, it is the policy of the company to disclose such services in the annual report. However as of date the company has not engaged the external auditor for non-audit services.
D.5.3	Does the non-audit fee exceed the audit fees?	N	The Company engages its External Auditor for audited services only. Thus, there are no non-audit fees paid to the external auditor.

D.6	Medium of communications		
	Does the company use the following modes of communication?		
D.6.1	Quarterly reporting	Y	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 significant milestones, events, and developments in the Company. The Company also uses its website to communicate to the public. Source Document: 2016 Annual Report
D.6.2	Company website	Y	The Company uses its website as one of its modes of communication. Source Document: Company Website
D.6.3	Analyst's briefing	N	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. Source Document: Company Website/Announcement
D.7	Timely filing/release of annual/financial reports		
D.7.1	Are the audited annual financial report / statement released within 120 days from the financial year end?	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 06 April 2017, and submitted/released to the Securities and Exchange Commission and the Bureau of Internal Revenue on 26 April 2017. Source Document: Minutes of the Annual Stockholders Meeting, page 4

D.7.2	Is the annual report released within 120 days from the financial year end?	Y	The 2016 Annual Report of Philam Life was released during the Board of Directors and Annual Stockholders' meetings on 06 April 2017. Source Document: Minutes of the Annual Stockholders Meeting, page 4
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 Committee of the Company. The Audit Committee has reviewed and approved the scope and coverage of the Statutory Audit for the year 2016. 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 2016, and concurred and accepted the conclusion of the External Auditors on the financial statements. The Audit Committee was satisfied that the financial statements were in compliance with Philippine Financial Reporting Standards as assessed by the External Auditors. Source Documents: <ul style="list-style-type: none"> ▪ 2016 Annual Report ▪ Minutes of the Annual Stockholders Meeting dated 06 April 2017, page 4
D.8	Company website		
<i>Does the company have a website disclosing up-to-date information on the following:</i>			
D.8.1	Business operations	Y	The Company website discloses among others information relating to business operations of the Company. Source Document: Company Website
D.8.2	Financial statements/reports (current and prior years)	Y	The Company website discloses among others information relating to financial statements of the Company. Source Document: Company Website: Published Synopsis

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. Source Document: Company Website
D.8.4	Shareholding structure	Y	The Company website discloses among others information relating to the Company's group corporate structure. Source Document: Company Website
D.8.5	Group corporate structure	Y	The Company website discloses among others information relating to the Company's group corporate structure. Source Document: Company Website
D.8.6	Downloadable annual report	Y	The Company website contains the downloadable Annual Performance Report of the Company. Source Document: Company Website: 2016 Annual Report
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. Source Document: Company Website: Corporate Governance Section, 2017 Notice of Annual Stockholders Meeting
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 06 April 2017 in the Corporate Governance Section. Source Document: Company Website: Corporate Governance Section, Minutes of the Annual Stockholders Meeting dated 06 April 2017

D.8.9	Company's constitution (company's by-laws, memorandum and articles of association)	Y	<p>PELAC's website discloses the Articles of Incorporation and By-Laws of the Company in the Corporate Governance Section.</p> <p>Source Documents:</p> <ul style="list-style-type: none"> ▪ Company Website: Corporate Governance Section, Articles of Incorporation ▪ Company Website: Corporate Governance Section, By-Laws
D.9	Investor relations		
D.9.1	Does the company disclose the contact details (e.g. telephone, fax, and email) of the officer / office responsible for investor relations?	Y	<p>Not Applicable Item as per Insurance Commission Guidelines on Compliance with ACGS (Circular Letter No. 2015-13).</p> <p>Since PELAC not a publicly-listed company, it has no contact details required herein. However, PELAC makes sure that all its stakeholders (i.e. customers, employees, investors of affiliate companies, and general public) have the avenue to voice their concerns and/or complaints. In its Contact Us section in the Company Website, PELAC provides its stakeholders different channels through which stakeholders can get in touch with the Company. The contact details include an e-mail address, the head office telephone number, and each branch's address and telephone number. There is also a form, which the stakeholder can fill out.</p>