

Country Name Philippines
The Philippine American Life and General Insurance Company (Philam Life)
StockCode
Expert Name
Sector Insurance
Year 2013
Date of Financial Year End

A Rights of Shareholders

A.1 Basic Shareholder Rights

	Question	Answer	Remarks & Source Document
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>	Y	<p>Remarks: Shareholders of the Company are always given their equitable shares and paid within thirty (30) days after approval of the relevant regulatory bodies (i.e. the Insurance Commission and the Securities and Exchange Commission). There was no dividend declaration as of YTD 2013.</p> <p>Source Document: By-Laws, p. 8, Article VII, Section 1</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?	Y	<p>Remarks: 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>
A.2.2	The authorization of additional shares?	Y	<p>Source Document:</p> <ul style="list-style-type: none"> Articles of Incorporation (AOI) & By-Laws Annual Report
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 should 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 <u>non-executive directors/commissioners?</u>	Y	<p>Remarks: Every annual stockholders' meeting of the Company, the stockholders approve the directors' fees, and any increase thereof, of the non-executive and independent directors.</p> <p>Source Document:</p> <ul style="list-style-type: none"> Agenda of the Stockholders' Meeting Minutes of the Stockholders' Meeting
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A.3.2	Does the company provide non-controlling shareholders a right to nominate candidates for board of directors/commissioners?	Y	<p>Remarks: 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 Document: By-Laws, p. 5</p>
A.3.3	Does the company allow shareholders to elect directors/commissioners individually?	Y	<p>Remarks: As prescribed by the Company By-Laws, in case of election of the Board of Directors, each stockholder is entitled to cumulate his vote in the manner provided by law.</p> <p>Source Document:</p> <ul style="list-style-type: none"> • Minutes of the Stockholders' Meeting • By-Laws, p. 5
A.3.4	<u>Does the company disclose the voting and vote tabulation procedures used, declaring both before the meeting proceeds?</u>	Y	<p>Remarks: Before the election process, the shareholders are informed of the voting method and vote counting system.</p> <p>Source Document:</p> <ul style="list-style-type: none"> • Minutes of the Stockholders' Meeting • By-Laws, p. 5
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	<p>Remarks: The Minutes of the Stockholders' Meetings of the Company have always amply provided the following information:</p> <ol style="list-style-type: none"> 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; <p>Mr. Edmund Tse (Chairman), Mr. Rex Ma. A. Mendoza (President & CEO), and Mr. Cesar A. Buenaventura have all attended the most recent Annual Stockholders' Meeting of the Company.</p>
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	<p>Source Document: Stockholders' Meeting Minutes</p>
A.3.13	Did the company organise their most recent AGM in an easy to reach location?	Y	<p>Remarks: The 2013 & 2014 Annual Stockholders' Meeting was held at the 18th Floor Philam Life Head Office, Net Lima Building located at the Bonifacio Global City, Taguig.</p> <p>Source Document: Notice of Stockholders' Meeting</p>

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A.3.14	Does the company allow for voting in absentia?	Y	<p>Remarks: Per Section 5 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>Source Document:</p> <ul style="list-style-type: none"> • By-Laws, p. 2 • Stockholders' Meeting Minutes by proxy
A.3.15	Did the company vote by poll (as opposed to by show of hands) for all resolutions at the most recent AGM?	Y	<p>Remarks: 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, all resolutions approved, passed and adopted by the shareholders are voted by poll (one vote for each share of stock held).</p> <p>Source Document:</p> <ul style="list-style-type: none"> • By-Laws, p. 2 • Stockholders' Meeting Minutes
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>Remarks: For private corporations, there is no legal requirement to appoint such independent party, and since Philam Life is 99.99% owned by one shareholder (AIA), there is no need to appoint such independent party.</p> <p>Source Document: N/A</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?	Y	<p>Remarks: 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 Document:</p> <ul style="list-style-type: none"> • General Information Sheet (GIS) • Stockholders' Meeting Minutes
A.3.18	Do companies provide at least 21 days notice for all resolutions?	Y	<p>Remarks: The Company provided the Notice of Meeting with Agenda Items for Resolution at least 21 days prior to the actual meeting. For the 19 April 2013 Annual Stockholders' Meeting, the notice was sent on 25 March 2013.</p> <p>Source Document:</p> <ul style="list-style-type: none"> • Notice of Annual Stockholders' Meeting dated 25 March 2013
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>Remarks: The Company provides the agenda items which requires shareholders' approval in the Notice of the Annual Stockholders' Meeting.</p> <p>Source Document:</p> <ul style="list-style-type: none"> • Notice of Annual Stockholders' Meeting dated 25 March 2013

A		Rights of Shareholders	
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?	Y	<p>Remarks: 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. In line with such duty and as a matter of good corporate practice, the Board of Directors of the Company when necessary appoints an independent party to conduct due diligence process and evaluate the fairness of the transaction price, as in the case with BPI-Philam Life Assurance Corporation. However in 2013, no such event transpired to warrant such action.</p> <p>Source Document:</p> <ul style="list-style-type: none"> • Philam Life Manual of Corporate Governance, p. 1
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?	Y	<p>Remarks: The Company, on an 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.</p> <p>Source Document:</p> <p>2013 Annual Report</p>
A.5.2	Is the share ownership by institutional investors, other than controlling shareholders, greater than 5%?	N/A	<p>Remarks: Philam Life has no institutional investor other than its own controlling shareholder (AIA), which owns 99.99% of the Company.</p> <p>Source Document:</p>