

suppliers and competitors. Disparaging competitors or their products and services is discouraged. Improperly taking advantage of anyone through manipulation, concealment, abuse of privileged information, intentional misrepresentation of facts or any other unfair practice is not and will not be tolerated at Philam Life much more in the AIA Group.

### **Social and Environmental Responsibilities**

Under Social and Environmental Responsibilities, the Corporation and its employees are encouraged to make a positive contribution to the social, economic and environmental development of the communities in which it operates. The Corporation and its employees volunteer time and funds to programs that promote health, financial literacy, education and other community needs. AIA and Philam Life are committed to reduce the impact of its operations on the environment and raise awareness about sustainability by taking part in activities that highlight these issues.

### **Creditor's Rights**

It is the policy of Philam Life to uphold creditor's rights by honoring its contractual obligations with all its creditors and counterparties, in accordance with the provisions of their contracts and the law. In the conduct of its business dealings with third parties, Philam Life undertakes to honor all its commitments, stipulations and conditions set forth in their binding agreements.

## **CORPORATE CITIZENSHIP**

### **Communicating with Regulators & Other Governmental Officials**

Inquiries from regulators outside the normal course of Philam Life's regulatory relationships, must be reported immediately to the Compliance Officer or a designated Legal Counsel before a response is made.

Financial reporting related inquiries may be responded to by authorised comptrollers. Responses to regulators must contain complete, factual and accurate information. During a regulatory inspection or examination, documents must never be concealed, destroyed or altered, nor must lies or misleading statements be made to regulators. Requests from auditors are subject to the same standards.

### **Anti-Money Laundering and Counter Terrorist Financing**

"Money Laundering" is the process by which criminals conceal the nature or source of their illegal funds and

disguise them to make them appear legitimate. It is not limited to drug money or banking transactions but may involve sophisticated schemes in every sector of the financial services industry from commercial and investment banking to insurance which is our core business.

Pursuant to Section 18 of Republic Act (RA) No. 9160, also known as the "Anti-Money Laundering Act of 2001", as amended by RA No. 9194, RA No. 10167, RA No. 10168 and RA No. 10365 all covered institutions which include insurance companies supervised or regulated by the Insurance Commission are mandated to formulate their respective money laundering prevention program in accordance with the said law including, but not limited to, information dissemination on money laundering activities and its prevention, detection and reporting, and the training of responsible officers and personnel of covered institutions.

As a member company of AIA, Philam Life adopts the "AIA Anti-Money Laundering and Counter Terrorist Financing Program and incorporates it as part of the local program.

As a matter of policy, Philam Life shall foil any attempt by anyone to use the Company or its affiliates for money laundering purposes. This Anti-Money Laundering Program, together with the Company's Guidelines, establishes the governing principles and business standards to protect Philam Life and its business operations from becoming an unwitting tool of money launderers. The company's management, officers and staff must remain vigilant in the fight against money laundering and financing of terrorism and shall collectively oppose any effort to violate or flaunt the "Anti-Money Laundering Act of 2001", as well as its implementing rules and regulations.

Throughout the world, AIA and its subsidiaries like Philam Life are firmly committed to complying with all applicable anti-money laundering laws, covered and suspicious transactions reporting and identification requirements. These include taking affirmative steps, within the confines of applicable laws, to prevent, detect and report money laundering activities to appropriate authorities.

### **Anti-Corruption & Bribery & Gifts and Entertainment**

The Policy is applied alongside the AIA Code of Conduct. It provides guidance on giving and accepting gifts and entertainment. The Anti-Corruption Guidelines specifies the roles, responsibilities and procedural controls for transactions involving government officials. All relevant laws countering bribery and corruption must be upheld.

If local laws and regulations require higher compliance standards vis-a-vis the guidelines of the AIA Code of Conduct, then Philam Life must meet the higher standards.

The local CEO is responsible for the implementation of this policy and guidelines including ensuring that all employees within his business unit are aware of their obligations stated in the Policy and Guidelines and comply with the standards. Compliance is responsible for maintaining the Policy and Guidelines, providing second line oversight and monitoring of effective implementation.

The Anti-Corruption & Bribery Policy basically prohibits all employees, agents, or independent contractors from providing bribes or other benefits to another person in order to obtain or retain business or unfair advantage in any business interaction involving AIA and Philam Life, its customers and employees.

The company is not allowed to use improper means to influence another person's business judgment. All employees and officers are required to comply with the guidelines. Any employee who has knowledge of or in good faith suspects a violation of any of these laws, regulations or policies must report them promptly to the Compliance Officer assigned in the business unit or otherwise as set out in the Speak Up program.

### **Prevention of Insider Trading & Price Sensitive Information**

The AIA Group takes its obligations as a listed entity seriously and is committed to ensuring the highest standards of market conduct and fair dealing. The Hong Kong Securities and Futures Ordinance (SFO) prohibits market misconduct, including insider trading. Breaches of market misconduct laws are serious offences that attract heavy civil and criminal penalties.

Since Philam Life is a member of the AIA Group, it also adopts the same policy and follows the same guidelines. The Prevention of Insider Trading and Market Misconduct Policy aims to build a robust system to prevent market misconduct including insider trading. It sets out standards and controls to ensure compliance with the regulatory requirements. Lastly, the existence of this policy should prevent employees and directors from engaging in speculative trading in AIA Group Securities.

The policy applies to all employees and directors of AIA Group Limited and each of its subsidiaries ("AIA Group") just like Philam Life.

This policy defines the duty of each employee to safeguard material information from improper use. Under the policy, it is illegal to trade securities while in possession of a material non-public information and pass a material non-public information to anyone who may trade securities based on it or give others recommendations to buy or sell securities.

### **CONNECTED TRANSACTIONS POLICY**

Philam Life has adopted the Connected Transactions Compliance Policy of AIA, which basically sets forth the protocol in ensuring compliance with the requirements and approval process for connected transactions. The Policy, among others, defines what is considered a connected transaction, who are the connected persons, the approval and disclosure requirements, and the reporting obligations. Under the Policy, all transactions relating to acquisitions or disposals of interests in a company, share subscription, options, joint ventures and financial assistance transactions shall be reported to AIA for consideration as connected party transactions notwithstanding the counterparty.

### **THE WHISTLEBLOW PROGRAM**

Philam Life does business with integrity and follows the highest ethical principles. Any employee (or anyone else) may raise concerns of misconduct or wrongdoing within AIA and Philam Life that can allow investigation to fix any problems. This Policy guides all employees on how to raise ethical concerns and managers on how they should respond when this happens.

The Whistleblow Policy applies to all employees of the AIA Group including Philam Life. 'Whistleblower' refers to someone (an AIA employee, business partner, agent, consultant, vendor, customer or other party) who informs AIA or Philam Life of suspected illegal or improper ways of doing business involving violation of laws, regulations, AIA or BPI Philam policies, and other unethical actions that might negatively impact AIA's and Philam Life's reputation.

Employees who are aware of possible wrongdoing within AIA and Philam Life have a responsibility to disclose that information to management. Reports are taken seriously and investigated confidentially. Employees or other individuals will not suffer retaliation for reporting suspected wrongdoing in good faith.

An AIA Ethics line was developed to support the program. It is an independently managed website and hotline (telephone) service, receiving reports in local language, 24 hours a day, and 7 days a week. AIA and Philam Life can communicate with anonymous whistleblowers using this website via a secure platform.