

VIII. CORPORATE GOVERNANCE AND OPERATING PHILOSOPHY

CORPORATE GOVERNANCE

Philam Life 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.

Board Independence

Each of the independent directors meets the guidelines set in the Manual of Corporate Governance. None of the independent directors has any business or significant financial interest in the Company or any of its subsidiaries. They, therefore, continue to be considered independent.

Role & Responsibilities of the Board

The Board of Directors exercises all the powers of the corporation, and all business conducted and all

properties of the corporation are controlled and held by them. The Board is completely independent from management and major stockholders. The Board is accountable to the shareholders and as such it shall ensure the highest standard of governance in running the Company's business and setting the strategic directions. The detailed role and responsibilities are set forth in the By Laws and the Manual of Corporate Governance.

Election of Directors

The Company uses a transparent procedure for the election of directors. The Nomination and Governance Committee looks into the qualifications of directors and thereafter the Board deliberates on the recommendation of the Committee. At the stockholders meeting, the shareholders are duly informed by the Corporate Secretary of the qualified nominees and of the voting method and vote counting system. Each stockholder with voting privilege shall be entitled to cumulate his vote in the manner provided by law. After the election process, the Corporate Secretary shall count the votes and thereafter declare the duly elected members of the Board.

LIST OF STOCKHOLDERS

Name of Stockholder	Shares Held	Class	Amount Paid	Percent of Ownership	Nationality	Beneficiary Ownership	Date of First Appointment
AIA Company Limited	199,560,515	Common	1,995,605,150.00	99.99993%	Hong Kong SAR		
Gordon T. Watson (Non-Executive Director/Chairman)	1	Common	10.00		British	AIA Company Limited	January 11, 2011
J. Axel Bromley (Executive Director/CEO)	1	Common	10.00		U.S.	AIA Company Limited	June 1, 2015
Francis G. Estrada (Independent Director)	1	Common	10.00		Filipino	AIA Company Limited	April 8, 2006
Antonino T. Aquino (Independent Director)	1	Common	10.00		Filipino	AIA Company Limited	April 22, 2015
Joaquin E. Quintos IV (Independent Director)	1	Common	10.00		Filipino	AIA Company Limited	April 22, 2015
Doris Magsaysay Ho (Independent Director)	1	Common	10.00		Filipino	AIA Company Limited	April 22, 2015
Ariel G. Cantos (Executive Director)	1	Common	10.00		Filipino	AIA Company Limited	July 16, 2013
Estate of Luis Yulo	149	Common	1,490.00	0.00007%	Filipino		
TOTAL	199,560,671		1,995,606,710.00	100.00000%			