



2023 ANNUAL CORPORATE GOVERNANCE REPORT

	COMPLIANT/ NON-COMPLIANT	ADDITIONAL INFORMATION	EXPLANATION
The Board's Governance Responsibilities			
<b>Principle 1:</b> The company should be headed by a competent, working board to foster long-term success and sustainability of the corporation in a manner consistent with its corporate objectives and the long-term best interests of its shareholders and other stakeholders.			
Recommendation 1.1			
1. Board is composed of directors with collective working knowledge, experience or expertise that is relevant to the company's industry/sector.	Compliant	<p>Provide information or link/reference to a document containing information on the following:</p> <p>1. Academic qualifications, industry, knowledge, professional experience, expertise and relevant trainings of directors</p> <p>2. Qualification standards for directors to facilitate the selection of potential nominees and to serve as benchmark for the evaluation of its performance'</p> <p>'As shown in the Directors' Profile in BPI AIA's 2023 Annual Report, the board consists of members from diverse but relevant background. The Board's non-executive directors, apart from their extensive insurance background likewise have lengthy experiences in the field of banking and finance (Mr. Jose Teodoro Limcaoco and Ms. Maria Theresa D. Marcial), and insurance (Ms. Melita Teo), to name a few. The company's independent directors, Mr. Jesse O. Ang and Ms. Stephanie Sy, are seasoned and multi-awarded directors who have served either as senior executives or as board member of several public and private enterprises within the country or abroad in diverse industries. The Company's sole executive director and CEO, Ms. Katherine P. Custodia, was the Head of Partnership Distribution Sales Channels of BPI AIA for 4 years, prior to her appointment as CEO. She led a team of over 1,500 employees from In-Branch Sales, Corporate Sales, Direct Sales, Private Banking, and Telesales teams. She joined BPI AIA in 2013 and has since held various leadership posts – she was Head of Marketing, Head of Preferred Segment, Territory Sales Head and Head of In-Branch Sales. For 9 years, her experience in marketing, sales and partnership management allowed her to drive profitability and growth within BPI AIA.</p> <p><a href="#">See Annual Report, pages 35 to 40. Board of Directors' Profile</a></p>	Not applicable
2. Board has an appropriate mix of competence and expertise.	Compliant		Not applicable
3. Directors remain qualified for their positions individually and collectively to enable them to fulfil their roles and responsibilities and respond to the needs of the organization	Compliant	<p>The Board ensures that plans are in place for orderly succession to the Board and senior management to maintain a balance of appropriate skills and experiences within the Company. The Company's Corporate Governance Policy and Procedure Manual prescribes a formal, rigorous and transparent procedure for the selection and appointment of directors of the board and senior management. The Company, through its major shareholder and the Corporate Governance Committee (acting as the Nomination and Remuneration Committee, pursuant to IC Circular 2020-71), consider the knowledge, competencies, skills, and experience of the nominee-director or senior executives, taking into account the Company's business objectives and strategies. The Company ensures that its board membership and senior management consist of highly qualified individuals with sufficiently diverse talent, skills, experiences and background and possess a record of integrity and good repute. Another primary consideration in the hiring process is, based on the wealth of experiences of the nominees, their possible contribution to the development and achievement of strategies and ultimate achievement of the Company's goals and objectives. This is important to ensure that the quality of directors is aligned with the Company's strategic directions.</p> <p><a href="#">See Annual Report, page 44. Board and Senior Management Succession and Selection Process</a></p>	Not applicable
Recommendation 1.2			

1. Board is composed of a majority of non executive directors.	Compliant	<p><i>Identify or provide link/reference to a document identifying the directors and the type of their directorships</i></p> <p>The following are board members of the company:</p> <ol style="list-style-type: none"> <li>1. Mr. Jose Teodoro Limcaoco - Non-Executive Director, Chairman of the Board</li> <li>2. Mr. Leo Michel Grepin – Non-Executive Director</li> <li>3. Ms. Katherine P. Custodia – Executive Director, Chief Executive Officer</li> <li>4. Ms. Melita Teo - Non-Executive Director</li> <li>5. Mr. Jesse Ang - Independent Director</li> <li>6. Ms. Stephanie Sy - Independent Director</li> <li>7. Ms. Maria Theresa D. Marcial – Non-Executive Director</li> </ol> <p>As shown, the company has only one (1) executive director and all others are independent or non-executive directors.</p> <p><a href="#">See Annual Report, pages 35 to 40. Board of Directors' Profile</a></p>	Not applicable
<b>Recommendation 1.3</b>			
1. Company provides in its Board Charter or Manual on Corporate Governance a policy on training of directors.	Compliant	<p><i>Provide link or reference to the company's Board Charter or Manual on Corporate Governance relating to its policy on training of directors.</i></p> <p><i>Provide information or link/reference to a document containing information on the orientation program and trainings of directors for the previous year, including the number of hours attended and topics covered.</i></p> <p>The Corporate Governance Policy and Procedure Manual was approved in a board meeting last 21 October 2020 wherein the policy on training and training topics in accordance with IC CL 2020-71 were institutionalized. The Corporate Secretary conducts on-boarding training to new directors while continuous annual board training is likewise sponsored by the Company since 2020 onwards.</p> <p><a href="#">See website. Corporate Governance Policy and Procedure Manual, pages 15 to 16</a></p>	Not applicable
2. Company provides in its Board Charter or Manual on Corporate Governance an orientation program for first time directors.	Compliant	<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 the Circular issued by the Insurance Commission, BPI AIA 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. BPI AIA provides necessary resources in developing and updating its director's knowledge and capabilities. For two years in a row since 2020, the Company sponsored its own 4-hour annual continuing board training on corporate governance where topics were covered and discussed by competent speakers expert in their field. The Company encourages the directors to attend continuous professional education programs such as Professional Directors' Program of the Institute of Corporate Directors.</p> <p><a href="#">See Annual Report, page 46. Orientation Program and Training</a></p>	Not applicable
3. Company has relevant annual continuing training for all directors.	Compliant	<p>The actual training/seminars attended to by each director are disclosed in the Annual Report.</p> <p><a href="#">See Annual Report, page 46. Seminars attended by the Board of Directors</a></p>	Not applicable
<b>Recommendation 1.4</b>			
1. Board has a policy on board diversity.	Compliant	<p><i>Provide information on or link/reference to a document containing information on the company's board diversity policy.</i></p> <p><i>Indicate gender composition of the board.</i></p> <p>The Board Diversity Policy sets out the Company's approach to ensuring adequate diversity in the Board and that selection of candidates for appointment to the Board will be based on merit, which include a review of candidate's integrity, educational background, industry or related experience, among others. The Board approved the company's Revised Board Diversity Policy last 25 January 2024.</p>	Not applicable

		<a href="#">See Annual Report, page 50. New Board Charter. Revised Corporate Governance Manual and Policies</a>  Out of 7 members of the Board, 4 are female directors. <a href="#">See Annual Report, pages 35 to 40. Board of Directors' Profile</a>	
<b>Recommendation 1.5</b>			
1. Board is assisted in its duties by a Corporate Secretary.	Compliant	Provide information on or link/reference to a document containing information on the Corporate Secretary, including his/her name, qualifications, duties and functions.  Provide information or link/reference to a document containing information on the corporate governance training attended, including number of hours and topics covered.	Not applicable
2. Corporate Secretary is a separate individual from the Compliance Officer.	Compliant	The Company's Corporate Secretary, Carla J. Domingo, is a fellow of the Institute of Corporate Directors and a lawyer by profession. She is not the company's Compliance Officer. She attended the annual continuing training on corporate governance together with the Board last 18 September 2023 and 26 October 2023. She is assisted by the Assistant Corporate Secretary, JoAnne Lucille Germaine Y. Claudio - Guevara. <a href="#">See Annual Report, page 40. Board Support</a>	Not applicable
3. Corporate Secretary is not a member of the Board of Directors.	Compliant	The functions of the Corporate Secretary are provided for in the By-Laws and the Corporate Governance Policy and Procedure Manual. <a href="#">See website, By-Laws</a> <a href="#">See Corporate Governance Policy and Procedure Manual, pages 20 to 21</a>	Not applicable
4. Corporate Secretary attends training/s on corporate governance.	Compliant		Not applicable
<b>Recommendation 1.6</b>			
1. Board is assisted by a Compliance Officer.	Compliant	Provide information on or link/reference to a document containing information on the Compliance Officer, including his/her name, position, qualifications, duties and functions.	Not applicable
2. Compliance Officer has a rank of Vice President or and equivalent position with adequate stature and authority in the corporation.	Compliant	Provide information on or link/reference to a document containing information on the corporate governance training attended, including number of hours and topics covered  The Company's Chief Compliance Officer (CCO), Ms. Maria Cristina Helena G. Samaniego, is a senior officer with a rank equivalent to Senior Vice President and is a member of the company's Executive Committee. Ms. Samaniego is not a member of the Board. She attended the 4-hour annual continuing training on corporate governance together with the Board last 18 September 2023 and 26 October 2023. <a href="#">See Annual Report, page 41. Board Support</a>	Not applicable
3. Compliance Officer is not a member of the board.	Compliant	The functions of Compliance Officer are provided for in the Corporate Governance Policy and Procedure Manual. <a href="#">See Corporate Governance Policy and Procedure Manual, page 22</a>	Not applicable
4. Compliance Officer attends training/s on corporate governance annually.	Compliant		Not applicable
<b>Principle 2:</b> The fiduciary roles, responsibilities and accountabilities of the Board as provided under the law, the company's articles and by-laws, and other legal pronouncements and guidelines should be clearly made known to all directors as well as to stockholders and other stakeholders.			

Recommendation 2.1			
1. Directors act on a fully informed basis, in good faith, with due diligence and care, and in the best interest of the company.	Compliant	<p><i>Provide information or reference to a document containing information on how the directors performed their duties (can include board resolutions, minutes of meeting)</i></p> <p>To ensure that Board members are fully informed, the notice of meeting is sent to the Board more than 30 days prior while the agenda and presentation materials to be used during board meetings are sent in full to the board members at least five (5) business days prior to the meeting. Further, management is obliged to supply the Board with adequate and reliable information in a timely manner to enable the Board to make informed decisions.  <a href="#">See website, Board Charter, page 6, Section VI Conduct of Meetings</a></p> <p>Board functions and how the board performed their duties are provided in the By-laws of the Company, the Corporate Governance Policy and Procedure Manual, the Board Charter, and the Annual Report.  <a href="#">See website, By-Laws</a>  <a href="#">See Corporate Governance Policy and Procedure Manual, pages 8 to 11</a>  <a href="#">See Board Charter, pages 6 to 11, Roles and Responsibilities of the Board</a></p>	Not applicable
Recommendation 2.2			
1. Board oversees the development, review and approval of the company's business objectives and strategy.	Compliant	<p><i>Provide information or link/reference to a document containing information on how the directors performed this function (can include board resolutions, minutes of meeting)</i></p> <p><i>Indicate frequency of review of business objectives and strategy</i></p> <p>As provided in the Corporate Governance Policy and Procedure Manual, one of the main responsibilities of the Board is to oversee the development of and approve on an annual or quarterly basis the business objectives, strategies and capital plans of the Company, and monitor their implementation in order to sustain the Company's long-term viability and strength. As such, these matters are part of board or committee meetings' agenda on a regular basis. Strategies, capital plans, achievement of business objectives, and results of operations are reported and discussed quarterly to the Board and relevant in the CEO and CFO reports.  <a href="#">See website, Corporate Governance Manual, page 8, Roles and Responsibilities of the Board 4.4 (b)</a></p> <p>The company also conducted a Board Strategy Day on 05 December 2023, wherein the Board and the executive leadership team come together to discuss the organization's strategies and priorities.  <a href="#">See Annual Report, page 43, Board Process</a></p>	Not applicable
2. Board oversees and monitors the implementation of the company's business objectives and strategy in order to sustain the company's long-term viability and strength.	Compliant	<p><i>Provide information or reference to a document containing information on the Chairperson, including his/her name and qualifications</i></p> <p>The Chairman of the Board is Mr. Jose Teodoro Limcaoco. He was appointed as President and CEO of the Bank of the Philippine Islands on 22 April 2022. Before coming to BPI, he was the Chief Finance Officer, Chief Risk Officer, and Chief Sustainability Officer of Ayala Corporation, a PSE- listed company. He was also the Chairman of AC Energy International, Inc. (formerly Presage Corporation) and the President and CEO of AC Ventures Holding Corp. He was also a Director of several Ayala companies, including publicly listed Globe Telecom and Integrated Micro-electronics Inc., and the energy, infrastructure, industrials and healthcare companies of Ayala. He was also a director of the company that operates Zalora Philippines. He remains a director of Mynt, operator of GCash. He graduated from Stanford University with a BS Mathematical Sciences degree (Honors Program) in 1984 and from the Wharton School of the University of Pennsylvania with an MBA (Finance and Investment Management) in 1988.  <a href="#">See Annual Report, page 35, Board of Directors' Profile</a></p>	Not applicable
Recommendation 2.3			
1. Board is headed by a competent and qualified Chairperson.	Compliant	<p><i>Provide information or reference to a document containing information on the Chairperson, including his/her name and qualifications</i></p> <p>The Chairman of the Board is Mr. Jose Teodoro Limcaoco. He was appointed as President and CEO of the Bank of the Philippine Islands on 22 April 2022. Before coming to BPI, he was the Chief Finance Officer, Chief Risk Officer, and Chief Sustainability Officer of Ayala Corporation, a PSE- listed company. He was also the Chairman of AC Energy International, Inc. (formerly Presage Corporation) and the President and CEO of AC Ventures Holding Corp. He was also a Director of several Ayala companies, including publicly listed Globe Telecom and Integrated Micro-electronics Inc., and the energy, infrastructure, industrials and healthcare companies of Ayala. He was also a director of the company that operates Zalora Philippines. He remains a director of Mynt, operator of GCash. He graduated from Stanford University with a BS Mathematical Sciences degree (Honors Program) in 1984 and from the Wharton School of the University of Pennsylvania with an MBA (Finance and Investment Management) in 1988.  <a href="#">See Annual Report, page 35, Board of Directors' Profile</a></p>	Not applicable
Recommendation 2.4			

1. Board ensures and adopts an effective succession planning program for directors, key officers and management.	Compliant	<p><i>Disclose and provide information or link/reference to a document containing information on the company's succession planning and retirement policies and programs, and its implementation</i></p> <p>The Board ensures that plans are in place for orderly succession to the Board and senior management to maintain a balance of appropriate skills and experiences within the Company. The Company's Corporate Governance Manual prescribes a formal, rigorous and transparent procedures for the selection and appointment of directors of the Board and senior management. The Company, through its major shareholder and the Corporate Governance Committee (acting as the Nomination and Remuneration Committee, pursuant to IC Circular 2020-71), consider the knowledge, competencies, skills, and experience of the nominee-director or senior executives, taking into account the Company's business objectives and strategies. The Company ensures that its Board membership and senior management consist of highly qualified individuals with sufficiently diverse talents, skills, experience and background and possess a record of integrity and good repute. Another primary consideration in the hiring process is, based on the wealth of experiences of the nominees, their possible contribution to the development and achievement of strategies and ultimate achievement of the Company's goals and objectives. This is important to ensure that the quality of directors is aligned with the Company's strategic directions.</p> <p><a href="#">See Annual Report, page 44, Board and Senior Management Succession and Selection Process</a></p>	Not applicable
2. Board adopts a policy on the retirement for directors and key officers.	Compliant	<p>Annually, the Board approved and adopted the Company's annual Organization People Review (OPR) aimed at ensuring effective succession planning for directors, key officers and management to ensure growth and continued increase in the shareholders' value.</p> <p><a href="#">See Annual Report, page 55, Annual Organization People Review (OPR) and Performance Development Dialogue (PDD)</a></p> <p>Further, as part of succession planning and to promote dynamism in the Company, the Board approved the Retirement Age Policy that provides, among others, the maximum tenure for independent directors to be aligned with local regulations; for retirement age of directors other than independent, key officers and employees; and for the procedures for their retirement.</p> <p><a href="#">See Annual Report, page 50, New Board Charter, Revised Corporate Governance Manual and Policies</a></p> <p>On 26 October 2023, the BPI AIA Board Succession Plan was adopted. This succession plan is designed to proactively ensure that interruption at the board level is minimized during the transition from the departing member to the appointment of a new one. This succession plan is an on-going process requiring regular evaluation of board composition and competencies to identify opportunities for improvement to better position the board to meet its current and future needs.</p> <p><a href="#">See Annual Report, page 44, Board and Senior Management Succession and Selection Process</a></p>	Not applicable
<b>Recommendation 2.5</b>			
1. Board formulates and adopts a policy specifying the relationship between remuneration and performance of key officers and board members.	Compliant	<p><i>Provide information on or link/reference to a document containing information on the company's remuneration policy and its implementation, including the relationship between remuneration and performance.</i></p> <p>The Board approved the company's Remuneration Policy which ensures that the Board' and senior management' remuneration programs are designed to be market competitive, fully compliant with local regulations, and foster a strong performance-oriented culture within an appropriate risk management framework.</p> <p><a href="#">See Annual Report, page 50, New Board Charter, Revised Corporate Governance Manual and Policies</a></p>	Not applicable
2. Board aligns the remuneration of key officers and board members with long-term interests of the company.	Compliant	<p>The Company believes that the independent directors should be adequately compensated for the knowledge, skills, and expertise they share and impart to the Board; for the time and efforts they provide to the Company; and for potential risks and liability they may be exposed of as its members. The fee structure of the independent directors are based on various factors, such as but not limited to director's qualification and</p>	Not applicable

		experience, skills, and expertise; financial services sector benchmark; market condition; and regulatory environment. <a href="#">See Annual Report, page 44. Fee Structure and Remuneration of Directors</a>	
3. Directors do not participate in discussions or deliberations involving his/her own remuneration.	Compliant	<p>The independent directors receive fixed directors' fees per Board and Committee meeting attended, and annual bonus, as reviewed and approved by the shareholders of the Company on an annual basis. <a href="#">See Annual Report, page 44. Fee Structure and Remuneration of Directors</a></p> <p>During the Annual Stockholders' Meeting, the stockholders of the Company approved the annual fee and meeting fees of the Independent Directors of the Company. <a href="#">See website. Minutes of the Annual Stockholders' Meeting, page 5</a></p> <p>As reviewed and approved by the shareholders of the Company on an annual basis, the independent directors receive fixed directors' fees per Board and Committee meeting attended, and annual fees. For 2023, the total annual gross directors' fees of the independent directors of the Company amounted to Philippine Pesos: 2,596,000.00, broken down as follows: 1) Jesse O. Ang – PHP1,330,000.00; and, 2) Stephanie L. Sy – PHP1,266,000.00. The executive and non-executive directors do not receive any remuneration for their directorship in BPI AIA. <a href="#">See Annual Report, page 44. Fee Structure and Remuneration of Directors</a></p>	Not applicable
<b>Recommendation 2.6</b>			
1. Board has a formal and transparent board nomination and election policy.	Compliant	<p><i>Provide information or reference to a document containing information on the company's nomination and election policy and process and its implementation, including the criteria used in selecting new directors, how the shortlisted candidates and how it encourages nominations from shareholders.</i></p> <p><i>Provide proof if minority shareholders have a right to nominate candidates to the board.</i></p>	Not applicable
2. Board nomination and election policy is disclosed in the company's Manual on Corporate Governance.	Compliant	<p><i>Provide information if there was an assessment of the effectiveness of the Board's processes in the nomination, election or replacement of a director.</i></p> <p>The formal process for board nomination and election are stated in the company's Corporate Governance Policy and Procedure Manual. It provides, among others, that election and/or appointments to the Company's Board of Directors shall be made on merit and subject to objective criteria. In the nomination and election process, the Board and the shareholders shall review and evaluate the qualifications of all persons nominated in the Board, including whether the candidates: 1) possess the knowledge, skills, competence and experience, in terms of management capabilities, preferably in the field of insurance or insurance-related disciplines; 2) in the case of non-executive independent directors, independence of mind given their responsibilities to the Board and in light of the Company's business and risk profile; 3) have a record of integrity, credibility and good repute; 4) have sufficient time to carry out their responsibilities; and 5) have the ability to promote a smooth interaction between board members. In searching for qualified candidates, the Company may resort to the use of professional search firms or external sources. All directors shall be subject to election by the shareholders (including minority) of the Company at the annual stockholders' meeting after their nomination, and to be re-elected thereafter on an annual basis. <a href="#">See website. Corporate Governance Policy and Procedure Manual, pages 11 to 12</a></p>	Not applicable
3. Board nomination and election policy includes how the company accepts nominations from minority shareholders.	Compliant	<p><i>In nominating the Board of Directors, the Company greatly encourages and relies on shareholders' participation in order to elect a competent Board. It also significantly recognizes the rights of the minority shareholders to nominate and reviews candidates. In the Board's nomination and election process, transparency is always ensured.</i> <a href="#">See website. Corporate Governance Committee Charter, page 7</a></p>	Not applicable
4. Board nomination and election policy includes how the board reviews nominated candidates.	Compliant		Not applicable
5. Board nomination and election policy includes an assessment of the effectiveness of the Board's processes in the nomination, election or replacement of a director.	Compliant		Not applicable



6. Board has a process for identifying the quality of directors that is aligned with the strategic direction of the company.	Compliant		Not applicable
<b>Recommendation 2.7</b>			
1. Board has overall responsibility in ensuring that there is a group-wide policy and system governing related party transactions (RPTs) and other unusual or infrequently occurring transactions.	Compliant	<p><i>Provide information on or reference to a document containing the company's policy on related party transaction, including policy on review and approval of significant RPTs</i></p> <p><i>Identify transactions that were approved pursuant to the policy.</i></p> <p>The Related Party Transaction (RPT) Policy sets the parameters to determine which transaction are considered material given pre-defined materiality threshold set out in the RPT Policy. All related party transactions are reported to the management level, Regulatory and Compliance Committee for approval (non-material RPTs) and endorsement to the Board Audit and RPT Committee (material RPTs). The board-level, Audit and RPT Committee, approves material RPTs and endorses the same to the Board and stockholders for approval and ratification.</p> <p><a href="#">See Annual Report, pages 62 to 63, Related Party Transaction</a></p>	Not applicable
2. RPT policy includes appropriate review and approval of material RPTs, which guarantee fairness and transparency of the transactions.	Compliant	<p>Related party transactions are disclosed in the Notes to the Audited Financial Statement.</p> <p><a href="#">See Annual Report, pages 84 to 91, Summary of Transactions with Related Parties</a></p>	Not applicable
3. RPT policy encompasses all entities within the group, taking into account their size, structure, risk profile and complexity of operations.	Compliant		Not applicable
<b>Recommendation 2.8</b>			
1. Board is primarily responsible for approving the selection of Management led by the Chief Executive Officer (CEO) and the heads of the other control functions (Chief Risk Officer, Chief Compliance Officer, Chief Audit Executive).	Compliant	<p><i>Provide information on or reference to a document containing the Board's policy and responsibility for approving the selection of management.</i></p> <p><i>Identify the Management team appointed.</i></p> <p><i>Provide information on or reference to a document containing the Board's policy and responsibility for assessing the performance of the management.</i></p> <p><i>Provide information on the assessment process and indicate frequency of assessment of performance.</i></p> <p>As provided in the Company's Corporate Governance Policy and Procedure Manual, it is the Board's primary duty to approve the selection and assessment of the performance of the Management led by the Chief Executive Officer (CEO), and control functions led by their respective heads, the Chief Risk Officer, Chief Compliance Officer, and Head of Internal Audit.</p> <p><a href="#">See website, Corporate Governance Policy and Procedure Manual, pages 8 to 10, Roles and Responsibilities of the Board</a></p>	Not applicable
2. Board is primarily responsible for assessing the performance of Management led by the Chief Executive Officer (CEO) and the heads of the other control functions (Chief Risk	Compliant	<p>The Management Team appointed by the Board is published on the Company website:</p> <p><a href="https://www.bpi-aia.com.ph/en/about-us/our-people.html">https://www.bpi-aia.com.ph/en/about-us/our-people.html</a></p>	Not applicable

Officer, Chief Compliance Officer and Chief Audit Executive).		<p>In 2023, the board of BPI AIA Philippines conducted a self-assessment with the objective of identifying areas in which the board could perform better, as well as assess if the board's skills and expertise match the strategic direction that the companies are taking with the findings summarized as follows:</p> <ul style="list-style-type: none"> <li>• The Board agrees to the adequacy and appropriateness of its size and composition. It has a good balance of skills, capabilities and experience which are necessary for the Board to perform its duties.</li> <li>• The Board also has good knowledge and understanding of the Company's vision, mission, objectives, and strategies; and it continuously considers shareholder value and long-term shareholder interests in its decisions-making process.</li> <li>• In terms of Board dynamics, the Board continues to show excellent working relationship and positive atmosphere due to high level of trust among the members.</li> <li>• Board meetings are continuously held on a regular and efficient manner. They continue to implement effective time management.</li> <li>• In terms of Board support, the Board has acknowledged the timeliness and quality of the materials and reports provided by management.</li> </ul> <p>In line with its commitment to good corporate governance, third party evaluation is conducted every 3 years. <a href="#">See Annual Report, page 46 to 47, Performance Evaluation</a></p> <p>The evaluation forms for the Board, the Committees, and key officers above are likewise uploaded on website. <a href="#">See website, Annual Performance Evaluation Survey</a></p>	
<b>Recommendation 2.9</b>			
1. Board establishes an effective performance management framework that ensures that Management, including the Chief Executive Officer performance is at par with the standards set by the Board and Senior Management.	Compliant	<p><i>Provide information on or link/reference to a document containing the Board's performance management framework for management and personnel.</i></p> <p>The Board has approved the company's Performance Development Dialogue (PDD) ensuring that performance of all officers and employees are in accordance with the goals and objectives of the company. PDD also aims to encourage employees to actively participate in the realization of the company's goals and governance by aligning individual goals of employees with the company strategic goals. For 2023, each employee who is a member of the Management Committee has specific risk and compliance goals as part of their performance target. <a href="#">See Annual Report, page 55, Annual Organization People Review (OPR) and Performance Development Dialogue (PDD)</a></p>	Not applicable
2. Board establishes an effective performance management framework that ensures that personnel's performance is at par with the standards set by the Board and Senior Management.	Compliant		Not applicable
<b>Recommendation 2.10</b>			
1. Board oversees that an appropriate internal control system is in place.	Compliant	<p><i>Provide information on or link/reference to a document showing the Board's responsibility for overseeing that an appropriate internal control system is in place and what is included in the internal control system</i></p> <p><i>Provide reference or link to the company's Internal Audit Charter</i></p> <p>The Board established the Audit and Related Party Transactions (RPT) Committee to enhance its oversight capability over the Company's financial reporting, internal control system, internal and external audit</p>	Not applicable



2. The internal control system includes a mechanism for monitoring and managing potential conflict of interest of the Management, members and shareholders.	Compliant	<p>processes, related party transactions, and compliance with applicable laws and regulations. The Audit and RPT Committee shall ensure that all transactions with related parties are handled in a sound and prudent manner, with integrity, and in compliance with applicable laws and regulations, in order to protect the interest of the Company, its shareholders, policyholders, clients, creditors and other stakeholders.</p> <p><a href="#">See Annual Report, page 76, Audit and RPT Committee</a></p> <p>The Board has also approved the revised Internal Audit Charter last 15 April 2024.</p> <p><a href="#">See Annual Report, page 50, New Board Charter, Revised Corporate Governance Manual and Policies</a></p>	Not applicable
3. Board approves the Internal Audit Charter.	Compliant	<p>See also our website:</p> <p><a href="#">1. Corporate Governance Policy and Procedure Manual</a></p> <p><a href="#">2. Audit and Related Party Transactions Committee Charter</a></p>	Not applicable
<b>Recommendation 2.11</b>			
1. Board oversees that the company has in place a sound enterprise risk management (ERM) framework to effectively identify, monitor, assess and manage key business risks.	Compliant	<p>Provide information on or link/reference to a document showing the Board's oversight responsibility on the establishment of a sound enterprise risk management framework and how the board was guided by the framework.</p> <p>Provide proof of effectiveness of risk management strategies, if any.</p> <p>The Board, through the Board Risk Committee (BRC), is responsible for the oversight of the Company's Enterprise Risk Management (ERM) framework to ensure its effectiveness. BRC is responsible for the development of ERM Framework and oversees its implementation through the Group Risk Management Committee (GRMC); it conducts regular discussions on the company's prioritized and residual risk exposures based on regular risk management reports; and assesses how the concerned units or offices are addressing and managing these risks; evaluates the risk management framework to ensure its continued relevance, comprehensiveness and effectiveness; advises the Board on risk appetite levels and risk tolerance limits and the review of such; assessment of the risks to any potential financial impact that it may have; and reports to the board on a regular basis or as deemed necessary.</p> <p><a href="#">See website, Revised Corporate Governance Manual, pages 29 to 30</a></p> <p><a href="#">See website, Board Risk Committee Charter, page 7 to 8</a></p>	Not applicable
2. The risk management framework guides the Board in identifying units/business lines and enterprise-level risk exposures, as well as the effectiveness of risk management strategies.	Compliant	<p>At the management level, the company has Risk and Compliance Office headed by the Chief Risk Officer (CRO) who implements the company's ERM Framework to identify, assess, manage and monitor risk exposures, with the company's Board Risk Committee maintaining oversight on the same. The company operates using the three lines of defense model in running its Risk Management Framework (RMF). The model defines primary risk ownership by the business areas in order to drive a strong culture of ethics and accountability in the way business is conducted day to day. In this way, risks are identified and mitigated immediately as they emerge.</p> <p><a href="#">See Annual Report, page 41, Board Support</a></p> <p><a href="#">See also Annual Report, pages 72 to 75, Enterprise Risk Management</a></p>	Not applicable
<b>Recommendation 2.12</b>			
1. Board has a Board Charter that formalizes and clearly states its roles, responsibilities and accountabilities in carrying out its fiduciary duties.	Compliant	<p>Provide link to the company's website where the Board Charter is disclosed.</p> <p>In compliance to the requirements stipulated in the Insurance Commission Circular Letter (IC CL) 2020-71, the Board approved its revised Board Charter on 25 April 2023. The Board Charter sets out the roles and responsibilities of the Board primarily delegating to the Board the ultimate responsibility for the sustainable performance of the Company and its subsidiaries, including the consistent achievement of business plans and compliance with statutory as well as corporate obligations.</p> <p><a href="#">See website, Board Charter</a></p>	Not applicable

2. Board Charter serves as a guide to the directors in the performance of their functions.	Compliant		Not applicable
3. Board Charter is publicly available and posted on the company's website.	Compliant		Not applicable
<b>Principle 3:</b> Board committees should be set up to the extent possible to support the effective performance of the Board's functions, particularly with respect to audit, risk management, related party transactions, and other key corporate governance concerns, such as nomination and remuneration. The composition, functions and responsibilities of all committees established should be contained in a publicly available Committee Charter.			
<b>Recommendation 3.1</b>			
1. Board establishes board committees that focus on specific board functions to aid in the optimal performance of its roles and responsibilities.	Compliant	<p><i>Provide information or link/reference to a document containing information on all the board committees established by the company.</i></p> <p>The company's Board Committees, among others, are:</p> <p>1. Audit &amp; Related Party Transactions Committee <a href="#">See website, Audit &amp; RPT Committee Charter</a></p> <p>2. Corporate Governance Committee <a href="#">See website, Corporate Governance Committee Charter</a></p> <p>3. Board Risk Committee <a href="#">See website, Board Risk Committee Charter</a></p>	Not applicable
<b>Recommendation 3.2</b>			
1. Board establishes an Audit Committee to enhance its oversight capability over the company's financial reporting, internal control system, internal and external audit processes, and compliance with applicable laws and regulations.	Compliant	<p><i>Provide information or link/reference to a document containing information on the Audit Committee, including its functions.</i></p> <p><i>Indicate if it is the Audit Committee's responsibility to recommend the appointment and removal of the company's external auditor.</i></p> <p><i>Provide information or link/reference to a document containing information on the members of the Audit Committee, including their qualifications and type of directorship.</i></p> <p><i>Provide information or link/reference to a document containing information on the background, knowledge, skills, and/or experience of the members of the Audit Committee.</i></p> <p><i>Provide information or link/reference to a document containing information on the Chairman of the Audit Committee</i></p> <p>The constitution, authority, frequency and conduct of meetings, objectives and other details about the Audit and RPT Committee are contained in its Charter as posted on Company website. As shown in the Charter, part of the duties of the Committee is to be primarily responsible for making recommendations to the Board on the appointment, reappointment and removal of the external auditor and on the remuneration and terms of engagement of the external auditor, and to consider any questions of resignation or dismissal of that auditor.</p> <p><a href="#">See website, Audit and RPT Committee Charter</a></p>	Not applicable
2. Audit Committee is composed of at least three appropriately qualified non-executive directors, the majority of whom, including the Chairman is independent.	Compliant	<p>The company's Audit and RPT Committee is composed of the following directors:</p> <p>1. Mr. Jesse Ang - Independent Director, Chairman;</p> <p>2. Ms. Melita Teo - Non-Executive Director; and</p> <p>3. Ms. Stephanie Sy - Independent Director.</p> <p>The members of the committee are appropriately qualified non-executive directors, the majority of whom, including the Chairman, are independent. All of the members of the committee have relevant background, knowledge, skills, and/or experience in the areas of accounting, auditing and finance. The Chairman of the Audit Committee, Mr. Ang, is not the chairman of the Board or of any other committees.</p>	Not applicable
3. All the members of the committee have relevant background, knowledge, skills, and/or experience in the areas of accounting, auditing and finance.	Compliant		Not applicable

		<a href="#">See Annual Report, page 51, Table of Committee Memberships</a>	
4. The Chairman of the Audit Committee is not the Chairman of the Board or of any other committee.	Compliant	The profile (qualifications) of each of the above Committee members are disclosed in the Annual Report <a href="#">See Annual Report, pages 35 to 40, Board of Directors' Profile</a>	Not applicable
<b>Recommendation 3.3</b>			
1. Board establishes a Corporate Governance Committee tasked to assist the Board in the performance of its corporate governance responsibilities, including the functions that were formerly assigned to a Nomination and Remuneration Committee.	Compliant	<p><i>Provide information or reference to a document containing information on the Corporate Governance Committee, including its functions.</i></p> <p><i>Indicate if the Committee undertook the process of identifying the quality of directors aligned with the company's strategic direction, if applicable.</i></p> <p><i>Provide information or link/reference to a document containing information on the members of the Corporate Governance Committee, including their qualifications and type of directorship.</i></p> <p><i>Provide information or link/reference to a document containing information on the Chairman of the Corporate Governance Committee.</i></p> <p>The constitution, authority, frequency and conduct of meetings, objectives and other details about the Corporate Governance Committee are contained in its Charter as posted on Company website. Pursuant to IC CL 2020-71, the Corporate Governance Committee serves as the Nomination and Remuneration Committee. <a href="#">See website, Corporate Governance Committee Charter</a></p>	Not applicable
2. Corporate Governance Committee is composed of at least three members, majority of whom should be independent directors.	Compliant	<p>In compliance with the IC CL 2020-71, the Corporate Governance Committee members are:</p> <ol style="list-style-type: none"> <li>1. Ms. Stephanie Sy (independent director) - Chairman</li> <li>2. Mr. Jesse O. Ang (independent director)- Member</li> <li>3. Ms. Melita Teo (non-executive director)- Member</li> </ol> <p>Majority of the members, including the Chairman, are independent directors. <a href="#">See Annual Report, page 51, Table of Committee Memberships</a></p>	Not applicable
3. Chairman of the Corporate Governance Committee is an independent director.	Compliant	<p>The profile (qualifications) of each of the above Committee members including the Chairperson are disclosed in the Annual Report. <a href="#">See Annual Report, pages 35 to 40, Board of Directors' Profile</a></p> <p>On the nomination and selection process: <a href="#">See Annual Report, page 44, Board and Senior Management Succession and Selection Process</a></p>	Not applicable
<b>Recommendation 3.4</b>			
1. Board establishes a separate Board Risk Oversight Committee (BROC) that should be responsible for the oversight of a company's Enterprise Risk Management system to ensure its functionality and effectiveness.	Compliant	<p><i>Provide information or link/reference to a document containing information on the Board Risk Oversight Committee (BROC), including its functions</i></p> <p><i>Provide information or link/reference to a document containing information on the members of the BROC, including their qualifications and type of directorship</i></p> <p><i>Provide information or link/reference to a document containing information on the Chairman of the BROC</i></p> <p><i>Provide information or link/reference to a document containing information on the background, skills, and/or experience of the members of the BROC.</i></p> <p>The Board has an existing Board Risk Committee (BRC) which has oversight of the company's Enterprise Risk Management system. In compliance with IC CL2020-71, the members of the BRC are as follows:</p>	Not applicable
2. BROC is composed of at least three members, the majority of whom should be	Partially Compliant	<ol style="list-style-type: none"> <li>1. Ms. Maria Theresa D. Marcial, non-executive director - Chairperson</li> <li>2. Mr. Jesse Ang, independent director - Member</li> <li>3. Ms. Stephanie Sy, independent director - Member</li> </ol> <p>Majority of the members of the Company's BRC are independent directors. The Chairperson is a non-executive director.</p>	All members of the BRC are non-executive directors and majority are independent directors. The BRC Chair is not chairing any other board committee except the BRC.

independent directors, including the Chairman.		<a href="#">See Annual Report, page 51, Table of Committee Memberships</a>  The profile of each of the above Committee members including the Chairperson are disclosed in the Annual Report.	
3. The Chairman of the BROC is not the Chairman of the Board or of any other committee.	Compliant	<a href="#">See Annual Report, pages 35 to 40, Board of Directors' Profile</a>	Not applicable
4. At least one member of the BROC has relevant thorough knowledge and experience on risk and risk management.	Compliant		Not applicable
<b>Recommendation 3.5</b>			
1. The Board establishes a Related Party Transactions (RPT) Committee, which is tasked with reviewing all material related party transactions of the company.	Compliant	Provide information or link/reference to a document containing information on the Related Party Transactions (RPT) Committee, including its functions.  Provide information or link/reference to a document containing information on the members of the RPT Committee, including their qualifications and type of directorship.  The constitution, authority, frequency and conduct of meetings, objectives and other details about the Audit and RPT Committee are contained in its Charter as posted on Company website. <a href="#">See website, Audit and RPT Committee Charter</a>	Not applicable
2. RPT Committee is composed of at least three non-executive directors, majority of whom should be independent, including the Chairman.	Compliant	The Board has an existing Audit and RPT Committee delegated by the Board to review related party transactions of the Company. The members of the Committee are as follows: 1. Mr. Jesse Ang - Independent Director, Chairman; 2. Ms. Melita Teo - Non-Executive Director; and 3. Ms. Stephanie Sy - Independent Director. <a href="#">See Annual Report, page 51, Table of Committee Memberships</a>  The profile of each of the above Committee members including the Chairperson are disclosed in the Annual Report. <a href="#">See Annual Report, pages 35 to 40, Board of Directors' Profile</a>	Not applicable
<b>Recommendation 3.6</b>			
1. All established committees have a Committee Charters stating in plain terms their respective purposes, memberships, structures, operations, reporting process, resources and other relevant information.	Compliant	Provide information or link/reference to the company's committee charters, containing all the required information, particularly the functions of the Committee that is necessary for performance evaluation purposes.  Provide link to company's website where the Committee Charters are disclosed.  The committee charters of the Audit and RPT Committee, Board Risk Committee, Corporate Governance Committee are posted on company website.  1. Audit & Related Party Transactions Committee - <a href="#">See website, Audit &amp; RPT Committee Charter</a> 2. Corporate Governance Committee - <a href="#">See website, Corporate Governance Committee Charter</a> 3. Board Risk Committee - <a href="#">See website, Board Risk Committee</a>	Not applicable

2. Committee Charters provide standards for evaluating the performance of the Committees.	Compliant		Not applicable
3. Committee Charters were fully disclosed on the company's website.	Compliant		Not applicable
<b>Principle 4:</b> To show full commitment to the company, the directors should devote the time and attention necessary to properly and effectively perform their duties and responsibilities, including sufficient time to be familiar with the corporation's business.			
<b>Recommendation 4.1</b>			
1. The Directors attend and actively participate in all meetings of the Board, Committees and shareholders in person or through tele-/videoconferencing conducted in accordance with the rules and regulations of the Commission.	Compliant	<p><i>Provide information or link/reference to a document containing information on the process and procedure for tele/videoconferencing board and/or committee meetings.</i></p> <p><i>Provide information or link/reference to a document containing information on the attendance and participation of directors to Board, Committee and shareholders' meetings.</i></p> <p><i>Provide information or link/reference to a document containing information on any questions raised or clarification/ explanation sought by the directors.</i></p> <p>According to Section 6 of the By-Laws, any one or more directors may participate in and vote at a meeting of the Board of Directors by means of a conference telephone or any communication equipment which allows all persons participating in the meeting to hear each other, in accordance with any applicable requirements of law. Any director so participating in a meeting shall be deemed to be present in person and counted towards the quorum.</p> <p><a href="#">See website, By-Laws.</a></p> <p>The Board Charter and Corporate Governance Committee Charter govern the Company's rule on the attendance, conduct of and participation in board, committee and shareholders' meeting.</p> <p><a href="#">See website, Board Charter</a>  <a href="#">See website, Corporate Governance Committee Charter</a></p> <p>The Board had a total of six (6) meetings in 2023, where the Board posted an overall attendance rate of 95.24%. The directors received the meeting pack five days in advance. The meeting pack includes among others, the Board and Committee Meeting Minutes, including the questions and clarifications raised during the meeting, for approval of the Board, the business and financial highlights of the Company and other items that need Board action and approval.</p> <p><a href="#">See Annual Report, page 49, Table of Attendance of Board of Directors</a></p>	Not applicable
2. The directors review meeting materials for all Board and Committee meetings.	Compliant		Not applicable
3. The directors ask the necessary questions or seek clarifications and explanations during the Board and Committee meetings.	Compliant		Not applicable
<b>Recommendation 4.2</b>			
1. Non-executive directors concurrently serve as directors to a maximum of five Insurance Commission Regulated Entities (ICREs) and publicly-listed companies to ensure that they	Compliant	<p><i>Disclose if the company has a policy setting the limit of board seats that a non-executive director can hold simultaneously.</i></p> <p><i>Provide information or reference to a document containing information on the directorships of the company's directors in both listed and non-listed companies.</i></p> <p>The Corporate Governance Policy and Procedure Manual provides for optimum number of directorships. It mandates that non-executive directors can only serve as directors to a maximum of five (5) publicly listed</p>	Not applicable

have sufficient time to fully prepare for meetings, challenge Management's proposals/views, and oversee the long-term strategy of the company.		<p>companies. All directors are also required to disclose their incumbent directorship or before accepting a new directorship in another company.</p> <p>Moreover, NEDs directorships in any company and affiliations are declared in their respective biographical data submitted annually to the Insurance Commission.</p> <p><a href="#">See Corporate Governance Policy and Procedure Manual, page 8, Multiple Board Seats</a>  <a href="#">See Annual Report, pages 35 to 40, Board of Directors' Profile</a></p>	
<b>Recommendation 4.3</b>			
1. The directors notify the company's board where he/she is an incumbent director before accepting a directorship in another company.	Compliant	<p><i>Provide copy of written notification to the board or minutes of board meeting wherein the matter was discussed.</i></p> <p>Directors are required to disclose their incumbent directorship as stated in the immediately preceding row.</p>	Not applicable
<b>Principle 5: The board should endeavor to exercise an objective and independent judgment on all corporate affairs.</b>			
<b>Recommendation 5.1</b>			
1. The Board is composed of at least twenty percent (20%) independent directors.	Compliant	<p><i>Provide information or link/reference to a document containing information on the number of independent directors in the board.</i></p> <p>The following are board members of the company:</p> <ol style="list-style-type: none"> <li>1. Mr. Jose Teodoro Limcaoco - Non-Executive Director, Chairman of the Board</li> <li>2. Mr. Leo Michel Grepin – Non-Executive Director</li> <li>3. Ms. Katherine P. Custodia – Executive Director, Chief Executive Officer</li> <li>4. Ms. Melita Teo - Non-Executive Director</li> <li>5. Mr. Jesse Ang - Independent Director</li> <li>6. Ms. Stephanie Sy - Independent Director</li> <li>7. Ms. Maria Theresa D. Marcial – Non-Executive Director</li> </ol> <p>As shown, the Board is composed of 28.57% independent directors.</p> <p><a href="#">See Annual Report, pages 35 to 40, Board of Directors' Profile</a></p>	Not applicable
<b>Recommendation 5.2</b>			
1. The independent directors possess all the necessary qualifications and none of the disqualifications to hold the position.	Compliant	<p><i>Provide information or link/reference to a document containing information on the qualifications of the independent directors.</i></p> <p>The company's independent directors, Mr. Jesse Ang and Ms. Stephanie Sy, have served either as senior executives or as board member of several public and private enterprises within the country or abroad in diverse industries. Even so, none of their past background and affiliations can pose any material conflict of interest nor affect their independent judgement as board member of the company since they have not been connected with the company or any of its subsidiaries and affiliates in the past or present except as such independent director.</p> <p><a href="#">See Annual Report, pages 35 to 40, Board of Directors' Profile</a></p> <p>On the qualifications of independent directors,  <a href="#">See website, Corporate Governance Policy and Procedure Manual, page 17 to 19, Independent Directors</a></p>	Not applicable
<b>Recommendation 5.3</b>			
<p>1. The independent directors serve for a maximum cumulative term of nine years.</p> <p>As far as Insurance Companies are</p>	Compliant	<p><i>Provide information or link/reference to a document showing the years IDs have served as such.</i></p> <p><i>Provide information or link/reference to a document containing information on the company's policy on term limits for its independent director.</i></p> <p><i>Provide proof on submission of a formal written justification to the Insurance Commission and proof of shareholders' approval during the annual shareholders' meeting.</i></p> <p>The company follows the Insurance Commission's 9-year term limit for independent directors. Mr. Jesse Ang</p>	Not applicable



<p>concerned, the foregoing term limit shall be reckoned from 02 January 2015 while the reckoning date for the Pre-Need Companies and Health Maintenance Organizations shall be from 21 September 2016.</p> <p>For other covered entities, all previous terms served by existing Independent Directors prior to the effectivity of this Circular shall not be included in the application of the term limit prescribed in this item.</p>		<p>joined the Board on April 2019 while Ms. Stephanie Sy joined on July 2019. Thus, none of the independent directors (INEDs) exceed the 9-year term as mandated by the Insurance Commission.  <a href="#">See Annual Report, pages 35 to 40, Board of Directors' Profile</a></p> <p>The Corporate Governance Policy and Procedure Manual provides that term limit of INEDs shall be cumulative of 9 years reckoned from 02 January 2015 –  <a href="#">See website, Corporate Governance Policy and Procedure Manual, page 19, Term Limit of Independent Directors</a></p>	
2. The company bars an independent director from serving in such capacity after the term limit of nine years.	Compliant		Not applicable
3. In the instance that the company retains an independent director in the same capacity after nine years, the board submits to the Insurance Commission a formal written justification and seek shareholders' approval during the annual shareholders' meeting.	Compliant		Not applicable
<b>Recommendation 5.4</b>			
1. The positions of Chairman of the Board and Chief Executive Officer are held by separate individuals.	Compliant	<p><i>Identify the company's Chairman of the Board and Chief Executive Officer.</i></p> <p><i>Provide information or link/reference to a document containing information on the roles and responsibilities of the Chairman of the Board and Chief Executive Officer.</i></p> <p><i>Identify the relationship of Chairman and CEO.</i></p> <p>The Company's CEO is Ms. Katherine P. Custodia while the Chairman of the Board is Mr. Jose Teodoro K. Limacaoco (non-executive director).  <a href="#">See Annual Report, pages 35 to 40, Board of Directors' Profile</a></p>	Not applicable

2. The Chairman of the Board and Chief Executive Officer have clearly defined responsibilities.	Compliant	The responsibilities of the Board Chairperson and the CEO as defined in the company's Revised Code of Corporate Governance are distinct and separate. <a href="#">See website, Corporate Governance Policy and Procedure Manual, pages 16 to 17</a>	Not applicable
<b>Recommendation 5.5</b>			
1. If the Chairman of the Board is not an independent director or where the roles of Chairman and CEO are being held by one person, the Board should designate a lead director among the independent directors.	Compliant	<i>Provide information or link/reference to a document containing information on a lead independent director and his roles and responsibilities, if any. Indicate if Chairman is independent.</i>  Mr. Jesse Ang was appointed as Lead Independent Director on 25 April 2023. <a href="#">See Annual Report, pages 35 to 40, Board of Directors' Profile</a>	Not applicable
<b>Recommendation 5.6</b>			
1. Directors with material interest in a transaction affecting the corporation should abstain from taking part in the deliberations for the same.	Compliant	<i>Provide proof of abstention, if this was the case.</i>  The Board of Directors will be the final approving authority of all material related party transactions (RPTs) for confirmation by stockholders in its annual meeting. The RPT Policy of the Company provides that any director who has an interest in a related party transaction as defined under the policy must abstain from deliberation and approval of such transaction. Directors execute annual RPT recertification to ensure compliance with the Company's RPT Policy. Related party transactions are disclosed in the Notes to the Audited Financial Statement; For 2023, the Company declares that all related party transactions are conducted in arm's length basis and that no individual director has any RPT with the company. <a href="#">See Annual Report, pages 62 to 63, Related Party Transactions</a>	Not applicable
<b>Recommendation 5.7</b>			
1. The non-executive directors (NEDs) have separate periodic meetings with the external auditor and heads of the internal audit, compliance and risk functions, without any executive directors present to ensure that proper checks and balances are in place within the corporation.	Compliant	<i>Provide proof and details of said meeting, if any.</i>  <i>Provide information on the frequency and attendees of meetings.</i>  As provided in the Code of Corporate Governance Policy and Procedure Manual, the non-executive and independent directors are encouraged to have separate periodic meetings with the External Auditor, Head of Internal Audit, and Head of Risk and Compliance without the presence of the executive director. The meeting is to be chaired by the lead independent director. <a href="#">See website, Corporate Governance Policy and Procedure Manual, page 15, Board Meetings</a>  As encouraged by the company's Corporate Governance Policy and Procedure Manual, the company holds separate periodic meetings between the non-executive and independent directors and the external auditor and heads of internal audit, risk, and compliance to ensure that proper checks and balances are in place within the corporation. Such meetings take place in the event that the non-executive and independent directors determine that there are sensitive matters for discussion and consideration. In 2023, the separate periodic meetings with the External Auditor and Head of Group Internal Audit Philippines without the presence of management were scheduled on 20 January 2023, 17 April 2023, 21 July 2023, and 20 October 2023.  The separate periodic meetings with the head of risk and compliance were scheduled on 18 March 2023, 24 June 2023, and 15 December 2023.  <a href="#">See Annual Report, page 49, Board Meetings in 2023.</a>	Not applicable
2. The meetings are chaired by the lead independent director.	Compliant		Not applicable

**Principle 6:** The best measure of the Board's effectiveness is through an assessment process. The Board should regularly carry out evaluations to appraise its performance as a body, and assess whether it possesses the right mix of backgrounds and competencies.

**Recommendation 6.1**

1. The Board conducts an annual assessment of its performance as a whole.	Compliant	<p><i>Provide proof of annual assessments conducted for the whole board, the individual members, the Chairman and the Committees.</i></p> <p><i>Identify the external facilitator and provide proof of use of an external facilitator.</i></p> <p>As provided in the Corporate Governance Policy and Manual, a formal and rigorous evaluation of the performance of the Board, its Committees, the Board Chairman, CEO, and individual directors shall be taken annually. The Corporate Secretary shall provide the necessary support to the Board in conducting the evaluation but the Board may consider engaging an external facilitator once every 3 years.  <a href="#">See Corporate Governance Policy and Procedure Manual, pages 27 to 28. Annual Board Performance Evaluation and Shareholder's Feedback Mechanism</a></p>	Not applicable
2. The performance of the Chairman is assessed annually by the Board.	Compliant		Not applicable
3. The performance of the individual member of the Board is assessed annually by the Board.	Compliant	<p>In 2023, the board of BPI AIA Philippines conducted a self-assessment with the objective of identifying areas in which the board could perform better, as well as assess if the board's skills and expertise match the strategic direction that the companies are taking with the findings summarized as follows:</p> <ol style="list-style-type: none"> <li>1. The Board agrees to the adequacy and appropriateness of its size and composition. It has a good balance of skills, capabilities and experience which are necessary for the Board to perform its duties.</li> <li>2. The Board also has good knowledge and understanding of the Company's vision, mission, objectives, and strategies; and it continuously considers shareholder value and long-term shareholder interests in its decisions-making process.</li> <li>3. In terms of Board dynamics, the Board continues to show excellent working relationship and positive atmosphere due to high level of trust among the members.</li> <li>4. Board meetings are continuously held on a regular and efficient manner. They continue to implement effective time management.</li> <li>5. In terms of Board support, the Board has acknowledged the timeliness and quality of the materials and reports provided by management.</li> </ol>	Not applicable
4. The performance of each committee is assessed annually by the Board.	Compliant		Not applicable
5. Every three years, the assessments are supported by an external facilitator.	Compliant	<p>In line with its commitment to good corporate governance, third party evaluation is conducted every 3 years..  <a href="#">See Annual Report, pages 46 to 47. Performance Evaluation</a></p> <p>The template of the survey form used may be accessed in the website.  <a href="#">See website, Performance Evaluation Survey Form</a></p>	Not applicable

**Recommendation 6.2**

1. Board has in place a system that provides, at the minimum, criteria and process to determine the performance of the Board, individual directors and committees.	Compliant	<p><i>Provide information or link/reference to a document containing information on the system of the company to evaluate the performance of the board, individual directors and committees, including a feedback mechanism from shareholders.</i></p> <p>Performance evaluation of the Board, CEO, individual directors and Committees is to be undertaken annually. The result of which is to be presented to the shareholders for their comments. The company further appointed the Corporate Secretary as the Chief Investor Relations Officer who may act as point of contact for shareholders to raise their concerns.  <a href="#">See Corporate Governance Policy and Procedure Manual, pages 27 to 28</a></p> <p>The Board has established its own performance evaluation, the criteria of which are based on the Insurance Commission's Circular on Corporate Governance. Every year, the Board, as well as the Committees, conducts</p>	Not applicable
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<p>2. The system allows for a feedback mechanism from the shareholders</p>	<p>Compliant</p>	<p>annual self-assessment of its performance, the results of which are submitted to the Corporate Governance Committee and to the Board of Directors.</p> <p>In the Annual Board Performance Evaluation Survey, the Board members are required to rate the performance of the Chairman, the CEO, the Board, the Board Committees based on the standards and criteria provided. Among the criteria set include, but are not limited to, the following: the appropriateness of the Board's composition; the directors' skills, expertise, and their participation and contribution in the Board and Committee discussions; the working relationship among the Board, the Chairman, and the senior management; the overall performance of the Chairman, the CEO, the independent directors, the Board and the various Board Committees.</p> <p>In the Survey, the Board members are required to give the subject either an 'excellent'; 'consistently good'; 'adequate'; or 'needs major improvement' rating. The directors are also required to provide other ideas and suggestions on how they could further improve the performance of the Board.</p> <p>After accomplishing the survey, the directors will submit the same to the Corporate Secretary, who will then consolidate and evaluate the answers and submit the results to the Governance, Nomination and Compensation Committee for its approval. The results will then be reported to the Board for its notation.</p> <p>In 2023, the board of AIA Philippines conducted a self-assessment with the objective of identifying areas in which the board could perform better, as well as assess if the board's skills and expertise match the strategic direction that the companies are taking with the findings summarized as follows:</p> <ul style="list-style-type: none"> <li>• The Board agrees to the adequacy and appropriateness of its size and composition. It has a good balance of skills, capabilities and experience which are necessary for the Board to perform its duties.</li> <li>• The Board also has good knowledge and understanding of the Company's vision, mission, objectives, and strategies; and it continuously considers shareholder value and long-term shareholder interests in its decisions-making process.</li> <li>• In terms of Board dynamics, the Board continues to show excellent working relationship and positive atmosphere due to high level of trust among the members.</li> <li>• Board meetings are continuously held on a regular and efficient manner. They continue to implement effective time management.</li> <li>• In terms of Board support, the Board has acknowledged the timeliness and quality of the materials and reports provided by management.</li> </ul> <p>In line with its commitment to good corporate governance, third party evaluation is conducted every 3 years.</p> <p><a href="#">See Annual Report, pages 46 to 47, Performance Evaluation</a>  <a href="#">See website, Performance Evaluation Survey Form</a></p>	<p>Not applicable</p>
<p><b>Principle 7: Members of the Board are duty-bound to apply high ethical standards, taking into account the interests of all stakeholders.</b></p>			
<p><b>Recommendation 7.1</b></p>			
<p>1. Board adopts a Code of Business Conduct and Ethics, which provide standards for professional and ethical behavior, as well as</p>	<p>Compliant</p>	<p><i>Provide information on or link/reference to the company's Code of Business Conduct and Ethics.</i></p> <p><i>Provide information on or discuss how the company disseminated the Code to its Board, senior management and employees.</i></p> <p><i>Provide a link to the company's website where the Code of Business Conduct and Ethics is posted/ disclosed.</i></p>	<p>Not applicable</p>

articulate acceptable and unacceptable conduct and practices in internal and external dealings of the company.		<p>The company has a Code of Conduct (commonly known as Code of Ethics) which all employees are required to certify their faithful compliance on an annual basis. The Code is posted on company website.  <a href="#">See website, Code of Conduct</a></p> <p>CODE OF CONDUCT ANNUAL CERTIFICATION  To ensure that all AIA Philippines employees are aware of the provisions of the AIA Code of Conduct, an annual certification program is conducted whereby all employees confirm their knowledge, understanding, and practice of the rules and guidelines written in the Code.</p> <p>NEW EMPLOYEES ORIENTATION PROGRAM (NEOP)  Company policy mandates for all new joiners to complete the New Hires Mandatory Course where the Code of Conduct and all other relevant company policies are discussed. This program is offered through an online learning platform and must be completed within 90 days from joining date.  <a href="#">See Annual Report, pages 58 to 59</a></p>	
2. The Code is properly disseminated to the Board, senior management and employees.	Compliant		Not applicable
3. The Code is disclosed and made available to the public through the company website.	Compliant		Not applicable
<b>Recommendation 7.2</b>			
1. Board ensures the proper and efficient implementation and monitoring of compliance with the Code of Business Conduct and Ethics.	Compliant	<p><i>Provide proof of implementation and monitoring of compliance with the Code of Business Conduct and Ethics and internal policies.</i></p> <p><i>Indicate who are required to comply with the Code of Business Conduct and Ethics and any findings on non-compliance.</i></p> <p>The company annually conducts Code of Conduct certification exercise applicable to the Board, employees and even vendors or service providers. The company also maintains an Ethics Hotline where its stakeholders may anonymously raise their concerns and appropriate investigation procedure are in place to ensure that ethical concerns and/or violations of legal, regulatory and internal policies or guidelines are properly dealt with. Any major issues or findings are part of the quarterly Compliance Report, Audit Report, Major Litigation Update, etc., to the Board as endorsed by the Audit and RPT Committee.  <a href="#">See website, Code of Conduct</a>  <a href="#">See Audit and RPT Committee Charter, page 6, Conduct of Meetings (par. 12)</a>  <a href="#">See Annual Report, pages 58 to 59, Code of Conduct Annual Certification, Conflict of Interest</a></p> <p><a href="#">See AIA Ethics and Compliance Hotline website</a>  AIA Ethics Hotline  <a href="http://www.aiaethicsline.com">www.aiaethicsline.com</a>  <a href="https://aiacompliance.alertline.eu/gcs/welcome">https://aiacompliance.alertline.eu/gcs/welcome</a></p>	Not applicable
2. Board ensures the proper and efficient implementation and monitoring of compliance with company internal policies.	Compliant		Not applicable
<b>Principle 8: The company should establish corporate disclosure policies and procedures that are practical and in accordance with best practices and regulatory expectations.</b>			
<b>Recommendation 8.1</b>			
1. Board establishes corporate disclosure policies and procedures to ensure a comprehensive, accurate, reliable and timely report to shareholders and other stakeholders that gives a fair and complete picture of a company's	Compliant	<p><i>Provide information on or link/reference to the company's disclosure policies and procedures including reports distributed/made available to shareholders and other stockholders.</i></p> <p>The Board approved the company's revised Financial Disclosure Policy last 25 January 2024. The Policy sets out the company's approach to disclosure of financial information in order to give a complete picture of the company's financial standing and results of business operations to stakeholders. It states that the company shall fully abide by legal and regulatory mandates on financial reporting standards and disclosures of financial information.</p>	Not applicable

financial condition, results and business operations.		<a href="#">See Annual Report, page 50. New Board Charter. Revised Corporate Governance Manual and Policies</a>	
<b>Recommendation 8.3</b>			
1. Board fully discloses all relevant and material information on individual board members to evaluate their experience and qualifications and assess any potential conflicts of interest that might affect their judgment.	Compliant	<p><i>Provide link or reference to the directors' academic qualifications, share ownership in the company, membership in other boards, other executive positions, professional experiences, expertise and relevant trainings attended.</i></p> <p><i>Provide link or reference to the key officers' academic qualifications, share ownership in the company, membership in other boards, other executive positions, professional experiences, expertise and relevant trainings attended.</i></p> <p>Information about individual directors and senior management are publicly available through the company's website or the annual report. Share ownership of directors in the Company may be found in the Annual Report. They are also required to undergo annual Code of Conduct and Related Party Transaction (RPT) certifications. All directors and key officers (Vice President level and up) submit to the Insurance Commission (IC) their individual biographical data which provide complete information about their own or immediate family's affiliations that enable regulator to assess any potential conflict of interests.</p> <p><a href="#">See Annual Report, pages 35 to 40. Board of Directors' Profile</a>  <a href="https://www.bpi-aia.com.ph/en/about-us/our-people">See website, https://www.bpi-aia.com.ph/en/about-us/our-people</a>  <a href="#">See Annual Report, pages 58 to 59. Code of Conduct Annual Certification, Conflict of Interest</a></p>	Not applicable
2. Board fully discloses all relevant and material information on key executives to evaluate their experience and qualifications and assess any potential conflicts of interest that might affect their judgment.	Compliant		Not applicable
<b>Recommendation 8.4</b>			
1. Company provides a clear disclosure of its policies and procedure for setting Board remuneration, including the level and mix of the same in the Annual Corporate Governance Report consistent with ASEAN Corporate Governance Scorecard (ACGS) and the Revised Corporation Code.	Compliant	<p><i>Disclose or provide link/reference to the company policy and practice for setting board remuneration.</i></p> <p><i>Disclose or provide link/reference to the company policy and practice for determining executive remuneration.</i></p> <p><i>Provide breakdown of director remuneration and executive compensation, particularly the remuneration of the CEO.</i></p> <p>The Board approved last 25 January 2024 the revised Remuneration Policy which provides that Board remuneration should be designed to be market competitive and their allowances aligned with market practices and fully compliant with regulations. Components of executive remuneration consisting of guaranteed and variable components that reward performance and value creation are likewise detailed in the Policy. Details of individual directors' remuneration and key officer (CEO) are provided in the Annual Report.</p> <p><a href="#">See Annual Report, page 50. New Board Charter. Revised Corporate Governance Manual and Policies</a></p>	Not applicable
2. Company provides a clear disclosure of its policies and procedure for setting Executive remuneration, including the level and mix of the same in the Annual Corporate Governance Report consistent with ASEAN Corporate Governance Scorecard (ACGS) and the Revised Corporation Code.	Compliant	<p>As reviewed and approved by the shareholders of the Company on an annual basis, the Independent Directors receive fixed fees per board and committee meeting actually attended by them and an annual fee. For 2023, the total annual gross directors' directors' fees of the independent directors of the Company amounted to Philippine Pesos: 2,596,000.00, broken down as follows: 1) Jesse O. Ang – PHP1,330,000.00; and, 2) Stephanie L. Sy – PHP1,266,000.00. The executive and non-executive directors do not receive any remuneration for their directorship in BPI AIA. The executive and non-executive directors do not receive any remuneration for their directorship in BPI AIA.</p> <p><a href="#">See Annual Report, page 44. Fee Structure and Remuneration of Directors</a></p> <p>BPI AIA provides a total rewards package to the Executive Director and Chief Executive Officer that consists of guaranteed and variable components that reward performance and value created for the Company. Our CEO's reward components support our rewards framework: a) Guaranteed compensation which includes base salary, allowances and contractual bonus that is reviewed annually to reflect market, individual performance and value created for the company; b) Short Term Incentive to reward achievement of business and individual</p>	Not applicable



3. Company discloses the remuneration on an individual basis, including termination and retirement provisions.	Compliant	performance metrics enabling the individual to share in the immediate success of the company; c) Discretionary Long-Term Incentive to motivate and reward the individual for individual who have contributed significantly to AIA's success and is likely to continue to do so; and d) Benefits that are carefully structured supplementing our cash compensation. <a href="#">See Annual Report, page 45. Remuneration Policy for Executive Director and CEO</a>	Not applicable
<b>Recommendation 8.5</b>			
1. Company discloses its policies governing Related Party Transactions (RPTs) and other unusual or infrequently occurring transactions.	Compliant	Disclose or provide reference/link to company's RPT policies  Provide information on all RPTs for the previous year or reference to a document containing the following information on all RPTs: 1. Name of the related counterparty; 2. Relationship with the party; 3. Transaction date; 4. Type/nature of transaction; 5. Amount or contract price; 6. Terms of the transaction; 7. Rationale for entering into the transaction; 8. The required approval (i.e., names of the board of directors approving, names and percentage of shareholders who approved) based on the company's policy; and 9. Other terms and conditions.  Indicate if the director with conflict of interest abstained from the board discussion on that particular transaction.  A summary of the Related Party Transactions (RPT) Policy is disclosed in the Annual Report. Actual RPTs including significant or material RPTs (if any) are disclosed through the company's Audited Financial Statements as provided in the Annual Report after the same has been approved by the Board and confirmed by majority stockholders during the annual meeting. <a href="#">See Annual Report, pages 62 to 62. Related Party Transactions</a> <a href="#">See also Annual Report, pages 84 to 91. Related Party Transactions</a>	Not applicable
2. Company discloses material or significant RPTs in its Annual Company Report or Annual Corporate Governance Report, reviewed and approved by the Board, and submitted for confirmation by majority vote of the stockholders in the annual stockholders' meeting during the year.			Not applicable
<b>Recommendation 8.7</b>			
1. Company's corporate governance policies, programs and procedures are contained in its Manual on Corporate Governance (MCG).	Compliant	Provide link to the company's website where the Manual on Corporate Governance is posted.  Pursuant to IC CL 2020-71, the Board revised and approved last 21 October 2020 its Corporate Governance Policy and Procedure Manual which articulates the company's corporate governance policy, framework, programs and procedures. It is also posted on company's website. <a href="#">See website. Corporate Governance and Procedure Manual</a>	Not applicable
2. Company's MCG is posted on its company website.	Compliant		Not applicable
<b>Principle 9: The company should establish standards for the appropriate selection of an external auditor, and exercise effective oversight of the same to strengthen the external auditor's independence and enhance audit quality.</b>			
<b>Recommendation 9.1</b>			
1. Audit Committee has a robust process for approving and recommending the appointment, reappointment, removal, and fees of the external auditors.	Compliant	Provide information or link/reference to a document containing information on the process for approving and recommending the appointment, reappointment, removal and fees of the company's external auditor.  Indicate the percentage of shareholders that ratified the appointment, reappointment, removal and fees of the external auditor.  Provide information on or link/reference to a document containing the company's reason for removal or change of external auditor.	Not applicable

		The Corporate Governance and Procedure Manual provides that in order to maintain the external auditor's independence and audit quality, the Audit and RPT Committee maintains oversight of the same. <a href="#">See website, Corporate Governance and Procedure Manual, pages 23 to 24 and page 31</a>	
2. The appointment, reappointment, removal, and fees of the external auditor is recommended by the Audit Committee, approved by the Board and ratified by the shareholders.	Compliant	Appointment, removal, and fees of external auditors shall pass through the Audit and RPT Committee for approval and endorsement to the Board. In case of removal, such fact and the reason thereof is to be reported to the IC and disclosed publicly. <a href="#">See website, Audit and RPT Committee Charter, page 8, Relationship with External Auditor</a>	Not applicable
3. For removal of the external auditor, the reasons for removal or change are disclosed to the regulators and the public through the company website and required disclosures.	Compliant	For 2023, the external auditor appointed was retained. Shareholders ratification of the appointment and the number of votes are disclosed in the Minutes to the Annual Stockholders Meeting as posted on Company website. A total of 742,186,591 shares was voted in favor of the appointment of Isla Lipana as external auditor. <a href="#">See Minutes of Annual Stockholders Meeting</a>	Not applicable
<b>Recommendation 9.2</b>			
1. Audit Committee Charter includes the Audit Committee's responsibility on:	Compliant	<i>Provide link/reference to the company's Audit Committee Charter.</i>  The Audit and RPT Committee Charter defines the Committee's relationship with the external auditor. The charter provides that the Committee in performing oversight functions over the external auditor shall annually review and monitor the external auditor's technical competence, independence and effectiveness in accordance with rules and regulations, evaluate non-audit work and fees disallowing non-audit work that will conflict with their independence and disclosing non-audit work publicly. The Committee shall also discuss with the external auditor before commencement of audit, the nature and scope of audit, etc., including the problems and reservations arising from the interim and final audits and any other matters which the external auditor may wish to discuss. <a href="#">See website, Audit and RPT Committee Charter</a>	Not applicable
2. Audit Committee Charter contains the Committee's responsibility on reviewing and monitoring the external auditor's suitability and effectiveness on an annual basis.	Compliant		Not applicable
<b>Recommendation 9.3</b>			

1. Company discloses the nature of non-audit services performed by its external auditor in the Annual Report to deal with the potential conflict of interest.	Compliant	<p><i>Disclose the nature of non-audit services performed by the external auditor, if any.</i></p> <p><i>Provide link or reference to guidelines or policies on non-audit services.</i></p> <p>Audit and non-audit work (if any) performed by the external auditor are presented to the Audit and RPT Committee. If there are any non-audit work, the Committee shall evaluate and disallow non-audit work that will conflict with their independence. These non-audit work, if allowed, are likewise required to be disclosed in the Annual Report of the company. For 2023, there were no non-audit services rendered by the external auditor, Isla Lipana &amp; Co./PwC Philippines.</p> <p><a href="#">See website, Audit and RPT Committee Charter</a>  <a href="#">See also Annual Report, page 77, Engagement of External Auditors</a></p>	Not applicable
2. Audit Committee stays alert for any potential conflict of interest situations, given the guidelines or policies on non-audit services, which could be viewed as impairing the external auditor's objectivity.	Compliant		Not applicable
<b>Principle 10:</b> The company should ensure that the material and reportable non-financial and sustainability issues are disclosed.			
<b>Recommendation 10.1</b>			
1. Board has a clear and focused policy on the disclosure of non-financial information, with emphasis on the management of economic, environmental, social and governance (EESG) issues of its business, which underpin sustainability	Compliant	<p><i>Disclose or provide link on the company's policies and practices on the disclosure of non-financial information, including EESG issues.</i></p> <p><i>Provide link to Sustainability Report, if any. Disclose the standards used.</i></p> <p>The Board approved the Company's ESG Disclosure Policy which provides that the company shall aligned its ESG effort with that of its parent company, AIA Group Limited, and relevant local laws and regulations. Full report on the company's ESG effort is disclosed in the 2023 ESG Report.</p> <p><a href="#">See Annual Report, page 50, New Board Charter, Revised Corporate Governance Manual and Policies</a>  <a href="#">See ESG Report 2023</a></p>	Not applicable
2. Company adopts a globally recognized standard/framework in reporting sustainability and non-financial issues.	Compliant		Not applicable
<b>Principle 11:</b> The company should maintain a comprehensive and cost-efficient communication channel for disseminating relevant information. This channel is crucial for informed decision-making by investors, stakeholders and other interested users			
<b>Recommendation 11.1</b>			
1. The company should have a website to ensure a comprehensive, cost efficient, transparent, and timely manner of disseminating relevant information to the public.	Compliant	<p><i>Disclose and identify the communication channels used by the company (i.e., website, Analyst's briefing, Media briefings /press conferences, Quarterly reporting, Current reporting, etc.).</i></p> <p><i>Provide links, if any.</i></p> <p>Media Center  <a href="https://www.bpi-aia.com.ph/en/about-us/media-center/media-clippings">https://www.bpi-aia.com.ph/en/about-us/media-center/media-clippings</a></p> <p>Press Releases  <a href="https://www.bpi-aia.com.ph/en/about-us/media-center/press-releases">https://www.bpi-aia.com.ph/en/about-us/media-center/press-releases</a></p>	Not applicable

		<p>Blog Articles  <a href="https://www.bpi-aia.com.ph/en/about-us/articles">https://www.bpi-aia.com.ph/en/about-us/articles</a></p>	
<b>Internal Control System and Risk Management Framework</b>			
<b>Principle 12:</b> To ensure the integrity, transparency and proper governance in the conduct of its affairs, the company should have a strong and effective internal control system and enterprise risk management framework.			
<b>Recommendation 12.1</b>			
1. Company has an adequate and effective internal control system in the conduct of its business.	Compliant	<p><i>List quality service programs for the internal audit functions.</i></p> <p><i>Indicate frequency of review of the internal control system.</i></p> <p>The Company's Internal Audit function is in-house (not outsourced) handled by Group Internal Audit (GIA) of AIA Group Limited (parent company of AIA Philippines). GIA has established a Quality Assurance and Improvement Programme to ensure that quality is built into the way internal audit activity is conducted. GIA also performs an annual self-assessment against the standards issued by the Institute of Internal Auditors (IIA). In addition, an assessment is performed by an independent external reviewer every 5 years, as required by the IIA standards. The Quality Assurance and Improvement Programme and the results of the assessments are presented annually to the Audit Committee as part of the Annual Review of Internal Audit Resources and Effectiveness.</p> <p>The effectiveness of internal controls is reviewed and assessed by management (first line) every quarter and challenged by the Risk team (second line). GIA, as the third line, conducts reviews of the effectiveness of internal control based on the annual risk based audit plan.</p> <p>See:  <a href="#">1. Annual Report, pages 72 to 75, Enterprise Risk Management</a>  <a href="#">2. Annual Report, page 77, Group Internal Audit</a></p>	Not applicable
2. Company has an adequate and effective enterprise risk management framework in the conduct of its business.	Compliant		Not applicable
<b>Recommendation 12.2</b>			
1. Company has in place an independent internal audit function that provides an independent and objective assurance, and consulting services designed to add value and improve the company's operations.	Compliant	<p><i>Disclose if the internal audit is in-house or outsourced. If outsourced, identify external firm.</i></p> <p>The Company's Internal Audit function is in-house, handled by Group Internal Audit (GIA) of AIA Group Limited (parent company of AIA Philippines). Per the GIA Charter, GIA's mission is to provide independent and objective assessment and reporting of the overall effectiveness of risk management, internal controls and governance processes.</p> <p><a href="#">See Annual Report, page 77, Group Internal Audit</a></p>	Not applicable
<b>Recommendation 12.3</b>			
1. The company has a qualified Chief Audit Executive (CAE) appointed by the Board.	Compliant	<p><i>Identify the company's Chief Audit Executive (CAE) and provide information on or reference to a document containing his/her responsibilities</i></p> <p><i>Identify qualified independent executive or senior management personnel, if applicable.</i></p> <p>The Company shall have a Head of Internal Audit, appointed by the Board, who shall oversee and be responsible for the internal audit activity of the Company, and directly report functionally to the Audit Committee and administratively to the CEO. Her responsibilities are outlined in the Revised Corporate Governance Policy and Procedure Manual.</p> <p>Rikka C. Peralta, the head of the internal audit function, is effectively the Chief Audit Executive.</p> <p>See:  <a href="#">1. Corporate Governance Policy and Procedure Manual</a></p>	Not applicable
2. CAE oversees and is responsible for the internal audit activity of the organization, including that portion that is outsourced to a third-party service provider.	Compliant		Not applicable

		<a href="#">2. Annual Report, page 77, Group Internal Audit</a> <a href="#">3. Annual Report, page 41, Board Support</a>	
3. In case of a fully outsourced internal audit activity, a qualified independent executive or senior management personnel is assigned the responsibility for managing the fully outsourced internal audit activity.	Compliant		Not applicable
<b>Recommendation 12.4</b>			
1. The company has a separate risk management function to identify, assess and monitor key risk exposures.	Compliant	<p><i>Provide information on company's risk management function.</i></p> <p>The company has a dedicated Risk function which administers its Risk Management Framework (RMF) on a day-to-day basis and manages all risk exposures including financial, insurance and operational risks. RMF identifies, quantifies, and mitigates risks within the company and is governed by the Group Risk Management Committee (GRMC) and Risk Management Committee (RMC) which oversees and reviews both key financial and operational risks. At grassroot level, a sub-meeting called the Functional Unit Risk Management Meeting is held by different functional units to ensure that risk and compliance matters are regularly identified, assesses and mitigated.</p> <p><a href="#">See Annual Report, pages 72 to 75, Enterprise Risk Management</a></p>	Not applicable
<b>Recommendation 12.5</b>			
1. In managing the company's Risk Management System, the company has a Chief Risk Officer (CRO), who is the ultimate champion of Enterprise Risk Management (ERM).	Compliant	<p><i>Identify the company's Chief Risk Officer (CRO) and provide information on or reference to a document containing his/her responsibilities and qualifications/background.</i></p> <p>The company's Risk &amp; Compliance function is headed by Ms. Maria Cristina Helena G. Samaniego, Chief Risk Officer (CRO) who is a senior ranking officer with a rank equivalent to Senior Vice President and is part of the company's Executive Committee. <a href="#">See Annual Report, page 41, Board Support</a></p> <p>The CRO's responsibilities are outlined In the Revised Corporate Governance Policy and Procedure Manual. <a href="#">See Corporate Governance Policy and Procedure Manual, page 29 to 30</a></p>	Not applicable
2. CRO has adequate authority, stature, resources and support to fulfil his/her responsibilities.	Compliant		Not applicable
<b>Cultivating a Synergic Relationship with Shareholders</b>			
<b>Principle 13:</b> The company should treat all shareholders fairly and equitably, and also recognize, protect and facilitate the exercise of their rights.			
<b>Recommendation 13.1</b>			
1. Board ensures that basic shareholder rights are disclosed in the Manual on Corporate Governance.	Compliant	<p><i>Provide link or reference to the company's Manual on Corporate Governance where shareholders' rights are disclosed.</i></p> <p><i>Provide link to company's website</i></p> <p>The company's Corporate Governance Policy and Procedure Manual that it shall ensure that shareholders are aware and shall allow shareholders to reasonably exercise their basic rights which include: the right to receive dividends in an equitable and timely manner; pre-emptive rights; right to inspect corporate books; right to financial statements; right to participate in decisions concerning fundamental corporate changes; right to propose the holding of meetings and to include agenda items ahead of the scheduled annual and special shareholders' meetings; right to nominate candidates to the Board; and right to notice and to participate effectively in and vote in shareholder's meetings. The Corporate Governance Policy and Procedure Manual</p>	Not applicable

2. Board ensures that basic shareholder rights are disclosed on the company's website.	Compliant	may be viewed on the company website. <a href="#">See Corporate Governance Policy and Procedure Manual, pages 31 to 32, Promoting Shareholder Rights</a>	Not applicable
<b>Recommendation 13.2</b>			
1. Board encourages active shareholder participation by sending the Notice of Annual and Special Shareholders' Meeting with sufficient and relevant information at least 21 days before the meeting.	Compliant	<p><i>Indicate the number of days before the annual stockholders' meeting or special stockholders' meeting when the notice and agenda were sent out</i></p> <p><i>Indicate whether shareholders' approval of remuneration or any changes therein were included in the agenda of the meeting.</i></p> <p><i>Provide link to the Agenda included in the company's Information Statement</i></p> <p>As provided in the Corporate Governance Policy and Procedure Manual, the annual shareholders meeting of the Company shall be held annually on the date fixed in the Company's By-Laws. Notice of the annual meeting shall be sent to shareholders at least 21 days prior to the meeting. The notice may be sent to through electronic mail or such other manner as the SEC shall allow under its guidelines. <a href="#">See website, Corporate Governance Policy and Procedure Manual, page 32, Promoting Shareholder Right</a></p> <p>Further the Notice of Annual Stockholders Meeting was posted on the Company website at least 21 days prior to the meeting together with the proxy document. <a href="#">See website, Notice of Agenda – Annual Stockholders Meeting with Proxy Letter</a></p>	Not applicable
<b>Recommendation 13.3</b>			
1. Board encourages active shareholder participation by making the result of the votes taken during the most recent Annual or Special Shareholders' Meeting publicly available the next working day.	Compliant	<p><i>Provide information or reference to a document containing information on all relevant questions raised and answers during the ASM and special meeting and the results of the vote taken during the most recent ASM/SSM.</i></p> <p><i>Provide link to minutes of meeting in the company website.</i></p> <p><i>Indicate voting results for all agenda items, including the approving, dissenting and abstaining votes.</i></p> <p><i>Indicate also if the voting on resolutions was by poll.</i></p> <p><i>Include whether there was opportunity to ask question and the answers given, if any.</i></p> <p>As provided in the Corporate Governance Policy and Procedure Manual, to further encourage shareholder participation, the Company shall make the result of the votes taken during the most recent Annual or Special Shareholders' Meeting available to the shareholders the next working day after the conduct of such meeting, by emailing to them a copy of the minutes of the meeting. In addition, the results of the votes and the minutes of meeting was posted on the website within one and five (5) business days from the conduct of the meeting, respectively. <a href="#">See website, Corporate Governance Policy and Procedure Manual, page 32, Promoting Shareholder Rights</a> <a href="#">See website, Minutes of Annual Stockholders Meeting</a> <a href="#">See website, Voting Results of the Annual Stockholders Meeting</a></p>	Not applicable
2. Minutes of the Annual and Special Shareholders' Meetings are available on the company website within five business days from the end of the meeting.	Compliant	<p>As provided in the Corporate Governance Policy and Procedure Manual, to further encourage shareholder participation, the Company shall make the result of the votes taken during the most recent Annual or Special Shareholders' Meeting available to the shareholders the next working day after the conduct of such meeting, by emailing to them a copy of the minutes of the meeting. In addition, the results of the votes and the minutes of meeting was posted on the website within one and five (5) business days from the conduct of the meeting, respectively. <a href="#">See website, Corporate Governance Policy and Procedure Manual, page 32, Promoting Shareholder Rights</a> <a href="#">See website, Minutes of Annual Stockholders Meeting</a> <a href="#">See website, Voting Results of the Annual Stockholders Meeting</a></p>	Not applicable
<b>Recommendation 13.4</b>			
1. Board has an alternative dispute mechanism to resolve intra-corporate disputes in an amicable and effective manner.	Compliant	<p><i>Provide details of the alternative dispute resolution made available to resolve intra-corporate disputes.</i></p> <p><i>Provide link/reference to where it is found in the Manual on Corporate Governance.</i></p> <p>As provided in the Corporate Governance Policy and Procedure Manual, the Board should also make available, at the option of the shareholder, an alternative dispute mechanism to resolve intra-corporate disputes in an amicable and effective manner. Thus, through the Corporate Secretary, shareholders shall be properly informed of the Company's processes, procedures and remedies to address any infringement or violation of their rights. <a href="#">See website, Corporate Governance Policy and Procedure Manual, page 32, Promoting Shareholder Rights</a></p>	Not applicable



2. The alternative dispute mechanism is included in the company's Manual on Corporate Governance.	Compliant		Not applicable
<b>Duties to Stakeholders</b>			
<b>Principle 14:</b> The rights of stakeholders established by law, by contractual relations and through voluntary commitments must be respected. Where stakeholders' rights and/or interests are at stake, stakeholders should have the opportunity to obtain prompt effective redress for the violation of their rights.			
<b>Recommendation 14.1</b>			
1. Board identifies the company's various stakeholders and promotes cooperation between them and the company in creating wealth, growth and sustainability.	Compliant	<p><i>Identify the company's shareholder and provide information or reference to a document containing information on the company's policies and programs for its stakeholders.</i></p> <p>The Board has approved the Stakeholder Engagement Policy which identifies the various stakeholders of the company and defines the Stakeholders Engagement Framework. The Framework identifies and publicly disclosed through the Annual Report the various touchpoints by which the different stakeholders may use to communicate to the Company.</p> <p><a href="#">See Annual Report, page 50. New Board Charter. Revised Corporate Governance Manual and Policies</a></p>	Not applicable
<b>Recommendation 14.2</b>			
1. Board establishes clear policies and programs to provide a mechanism on the fair treatment and protection of stakeholders.	Compliant	<p><i>Identify policies and programs for the protection and fair treatment of company's stakeholders.</i></p> <p>The Board has approved various policies and programs for the protection and fair treatment of all stakeholders. These include, the AIA Code of Conduct, Data Privacy Policy and programs, Anti-Money Laundering and Counter-Terrorist Financing policies and programs, Customer Commitment Standards, supplier manual for vendors, the Vitality program, Insider Trading and Market Conduct Policy, various Environment Social and Governance policy and initiatives, establishment of Ethics Hotline, to name a few.</p> <p><a href="#">See Annual Report, pages 52 to 54. Stakeholder Engagement Framework</a>  <a href="#">See Annual Report, page 63. Whistleblower Protection Program</a>  <a href="#">See 2023 ESG Report</a></p>	Not applicable
<b>Recommendation 14.3</b>			
1. Board adopts a transparent framework and process that allow stakeholders to communicate with the company and to obtain redress for the violation of their rights.	Compliant	<p><i>Provide the contact details (i.e., name of contact person, dedicated phone number or e-mail address, etc.) which stakeholders can use to voice their concerns and/or complaints for possible violation of their rights.</i></p> <p><i>Provide information on whistleblowing policy, practices and procedures for stakeholders.</i></p> <p>The Board has approved the revised Stakeholder Engagement Policy on 25 April 2023 which defines the Stakeholders Engagement Framework where the companies various stakeholders were identified and the various touchpoints by which they can communicate with the company. See also our answer to R15.3 for the whistleblowing policy, practices and procedures for stakeholders. Note also our Ethics Hotline contact details in our website.</p> <p><a href="#">See Annual Report, pages 52 to 54. Stakeholder Engagement Framework</a>  <a href="#">See Annual Report, page 63. Whistleblower Protection Program</a>  <a href="#">See website, Ethics Hotline</a>  <b>AIA Ethics Hotline</b>  <b>More details can be found at: <a href="http://www.aiaethicsline.com">www.aiaethicsline.com</a></b></p>	Not applicable
<b>Principle 15:</b> A mechanism for employee participation should be developed to create a symbiotic environment, realize the company's goals and participate in its corporate governance processes.			

Recommendation 15.1			
1. Board establishes policies, programs and procedures that encourage employees to actively participate in the realization of the company's goals and in its governance.	Compliant	<p><i>Provide information on or link/reference to company policies, programs and procedures that encourage employee participation.</i></p> <p>“Empowering our people to succeed through fostering a learning environment in a diverse, inclusive and supportive culture. This is the thrust of the People and Culture pillar of our Environment Social Governance (ESG) Strategy.</p> <p>BPI AIA's culture is shaped by leaders who embrace the three Leadership Essentials – Clarity, Courage, and Humanity. Leaders should (a) live our purpose and operating philosophy with a clear direction (b) deliver the best solutions together and to ensure that ideas are turned into action and (c) create a culture that we can thrive in as we develop and shape our future together. The Leadership Essentials set out the desired behaviors for all our people, not just for our leaders but at every level of the organization. When these behaviors are brought to life every day, AIA Philippines employees do the RIGHT THING in the RIGHT WAY, with the RIGHT PEOPLE and thus creating long-term value for all our stakeholders and delivering on our Purpose of living Healthier, Longer, Better Lives.</p> <p>BPI AIA has an array of Core Programs that are targeted for Individual Contributors, People Managers, and Senior Leaders in the Company. As we invest in developing our people, our Catalyst for Growth Capability-Building Framework has four focus areas which directly align with our strategic priorities.</p> <p><a href="#">See Annual Report, pages 21 to 32. Our People</a></p>	Not applicable
Recommendation 15.2			
1. Board sets the tone and makes a stand against corrupt practices by adopting an anti-corruption policy and program in its Code of Conduct.	Compliant	<p><i>Identify or provide link/reference to the company's policies, programs and practices on anti-corruption.</i></p> <p><i>Identify how the board disseminated the policy and program to employees across the organization.</i></p> <p>In addition to the Code of Conduct - which mandates observance of appropriate conduct in dealing with conflict of interest and gifts and entertainment to public officers, vendors, etc., the Company also adopted an Anti-Corruption and Bribery Policy. The AIA Group Anti-Corruption Policy (“the Policy”) sets out the organizational approach, roles and responsibilities and minimum standards to ensure AIA businesses implement a robust Anti-Corruption Programme. The Policy sets the guidelines on various scenarios when dealing with current and former government officials and in onboarding third-party vendors.</p>	Not applicable
2. Board disseminates the policy and program to employees across the organization through trainings to embed them in the company's culture.	Compliant	<p>Anti-Bribery and Corruption is a mandatory training for all new employees while annual mandatory refresher training and certification of compliance is performed for all employees.</p> <p><a href="#">See Annual Report, page 60. Anti-Corruption &amp; Bribery and Gifts &amp; Entertainment</a>  <a href="#">See also Code of Conduct</a></p>	Not applicable
Recommendation 15.3			
1. Board establishes a suitable framework for whistleblowing that allows employees to freely communicate their concerns about illegal or unethical practices, without fear of retaliation.	Compliant	<p><i>Disclose or provide link/reference to the company whistle-blowing policy and procedure for employees.</i>  <i>Indicate if the framework includes</i></p> <p><i>Procedures to protect the employees from retaliation.</i></p> <p><i>Provide contact details to report any illegal or unethical behavior.</i></p> <p><i>Provide information on how the board supervised and ensured enforcement of the whistleblowing framework, including any incident of whistleblowing.</i></p>	Not applicable
2. Board establishes a suitable framework for whistleblowing that allows employees to have direct access to an independent member of the	Compliant	<p>The Company has long established a Whistleblower Protection Programme. In 2020, the updated Whistleblower Protection Policy (WBPP) was adopted. The WBPP has the following key requirements:</p> <ol style="list-style-type: none"> <li>1. Induction and periodic refresher training or communication re: the WBPP;</li> <li>2. Definition of reportable conducts that are within the scope of the WBPP;</li> <li>3. All employees, officers, tied intermediaries, business partners, customers, etc., are provided with access to</li> </ol>	Not applicable

Board or a unit created to handle whistleblowing concerns.		internal and external reporting channels (Speak Up channel); 4. Protection against retaliation are accorded to the WB; and 5. Investigation in accordance with the AIA investigation standard and WB SOP. <a href="#">See Annual Report, page 63, Whistleblower Protection Program</a>	
3. Board supervises and ensures the enforcement of the whistleblowing framework.	Compliant	Whistleblowers can report to the official channels as follows: <b>AIA Group Compliance</b> <b>Tel: (852) 2832 1200 E-mail: <a href="mailto:compliance@aia.com">compliance@aia.com</a></b> <b>AIA Ethics Hotline</b> <b>More details can be found at: <a href="http://www.aiaethicsline.com">www.aiaethicsline.com</a></b>	Not applicable
<b>Principle 16:</b> The company should be socially responsible in all its dealings with the communities where it operates. It should ensure that its interactions serve its environment and stakeholders in a positive and progressive manner that is fully supportive of its comprehensive and balanced development.			
<b>Recommendation 16.1</b>			
1. Company recognizes and places importance on the interdependence between business and society, and promotes a mutually beneficial relationship that allows the company to grow its business, while contributing to the advancement of the society where it operates.	Compliant	Provide information or reference to a document containing information on the company's community involvement and environment-related programs.  The Company's Environment Social and Governance (ESG) initiatives are disclosed in detail in its 2023 ESG Report as posted on the website. <a href="#">See 2023 ESG Report</a>	Not applicable

The undersigned certify that the responses and explanations set forth in the above Company's Annual Corporate Governance Report are true, complete and correct of our own personal knowledge and/or based on authentic records.

Signed in the City of Makati on the MAY 10 2024 of 2024.

[Redacted Signature]

CARLA J. DOMINGO  
Corporate Secretary

[Redacted Signature]

JESSE O. ANG  
Independent Director

[Redacted Signature]

JOSE TEODORO K. LIMCAOCO  
Chairman of the Board

[Redacted Signature]

MA. CRISTINA HELENA G. SAMANIEGO  
Chief Risk & Compliance Officer

[Redacted Signature]

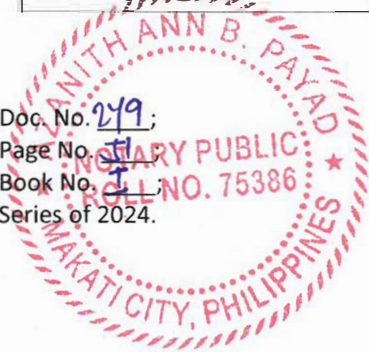
STEPHANIE L. SY  
Independent Director

[Redacted Signature]

KATHERINE P. CUSTODIA  
Chief Executive Officer

**SUBSCRIBED AND SWORN TO**, before me, this MAY 10 2024 of 2024 in Makati City, Philippines, affiants exhibiting to me their government issued identification cards as follows:

CARLA J. DOMINGO	[Redacted]
MARIA CRISTINA HELENA G. SAMANIEGO	[Redacted]
JESSE O. ANG	[Redacted]
STEPHANIE L. SY	[Redacted]
JOSE TEODORO K. LIMCAOCO	[Redacted]
KATHERINE P. CUSTODIA	[Redacted]



NOTARY PUBLIC  
[Redacted Signature]  
**ATTY. AZANITH ANN B. PAYAD**  
Notary Public for Makati City  
Until December 31, 2024  
Notarial Commission No. M-388  
23F AIA Tower 8767 Paseo de Roxas, Makati City  
Roll No. 75386  
IBP No. 372671; 12/22/23; Makati City  
PTR No. MKT 10080956; 1/11/24; Makati City  
MCLE Compliance No. VII-0022378; valid until 04/14/2025