

AXA PHILIPPINES 2019 CORPORATE GOVERNANCE REPORT

The report contains further disclosures on AXA Philippines' corporate governance, activities, and internal control.

VISION AND MISSION

AXA Philippines adopts and adheres to the vision and mission of the AXA Group (<https://www.axa.com/en/about-us/our-purpose>)

COMPOSITION OF THE BOARD OF DIRECTORS

The Board of Directors consists of eleven (11) members. Each of the members of the 2019 Board of Directors owns ten (10) nominal shares.

From the 11 members, only two (2) are Executive Directors and members of the Senior Management Team – the President and CEO, and the Chief Financial Officer from the Annual Shareholders' Meeting up to July 5, 2019. Thereafter, only the CEO remains as member of the Board of Directors. The other members of the Senior Management Team do not have direct or indirect shareholdings in the Company.

INTERNAL AUDIT HEAD

The internal audit of AXA Philippines is handled by the Head of Internal Audit, Ms. Zaida Angelita P. Lazaro.

POLICY ON MERGERS, ACQUISITION, OR TAKEOVERS

It is the policy of AXA Philippines to conduct further due diligence before entering into extraordinary transactions such as mergers, acquisitions, and/or takeovers. With the acquisition of Charter Ping An Insurance Corporation ("Charter Ping An") in April 2016, AXA Philippines engaged independent third party firms and consultants to provide a fair evaluation and review of the transactional data to ensure the viability of such transaction to AXA Philippines. The acquisition of Charter Ping An was approved by the shareholders of AXA Philippines.

DIVIDEND POLICY

AXA Philippines declares and pays dividends in accordance with applicable laws, rules, and regulations taking in consideration the reasonable financial requirements of the Company for the following 12 months in order for it to maintain the required solvency ratio plus such margin as is determined by the Board of Directors from time to time.

AXA Philippines pays its shareholders dividends proportionate to their shares and dividends are paid immediately from approval of the relevant regulatory authorities.

For 2019, AXA Philippines declared and paid cash dividends of Php 409 Million from its unrestricted retained earnings as of 31 December 2018, payable to its stockholders in proportion to their respective shareholdings.

CREDITORS' RIGHTS

AXA Philippines recognizes and shall protect the rights of its creditors, counterparties and suppliers. It is committed to honor all its contractual obligations with its creditors, counterparties and suppliers based on the covenants agreed with them and in accordance with existing laws, rules and regulations.

For its suppliers, AXA Philippines has established appropriate policies that govern the vendor accreditation, selection, bidding and approval processes. Under AXA Philippines Procurement Policy, all vendors should be accredited by AXA Philippines before they participate in the procurement process. Once a supplier has passed the accreditation process, the vendor is required to submit the Supplier Registration Form to the Procurement Team for inclusion into the Approved Supplier List. The Procurement Team maintains and updates the Approved Supplier List and recommends this panel to

the appropriate Business Units upon concurrence. To ensure continuous improvement and quality of approved suppliers, the Procurement Team periodically conducts the Supplier Performance Review and source new suppliers for comparative purposes.

AXA Philippines' policies on creditor protection are found in the General Procurement Guidelines and other Finance policies on disbursements and payments. These include policies on ensuring timely payment, disclosure of contact person/s, procedure on notification of unpaid invoices, and review of compliance with all contractual obligations to which AXA Philippines complies.

2019 MEDIA BRIEFINGS, PRESS CONFERENCES, AND PRESS RELEASES

Event/Press Release	Date	Links
AXA Holds "I Bounce for Health" Challenge at Color Manila Run	February 8, 2019	https://www.philstar.com/other-sections/newsmakers/2019/02/08/1891713/stronger-partnership
AXA Philippines helps "Train the Trainers" at Jr. NBA Philippines tip off event	Feb 20, 2019	https://www.pressreader.com/philippines/the-philippine-star/20190220/282136407685580
AXA Philippines, Metrobank Card Forge Partnership	April 11, 2019	https://peopleasia.ph/metrobank-card-corporation-partners-with-axa-philippines-to-launch-the-new-axa-rewards-visa-card/
NBA rising star Collin Sexton graces AXA's "Plan and Play"	June 6, 2019	https://www.philstar.com/entertainment/2019/06/06/1923879/nba-star-collin-sexton-leads-basketball-camp-manila
Serena Williams inspires in AXA's Know You Can Campaign	August 1, 2019	https://sports.inquirer.net/361520/axa-philippines-champions-self-belief-in-new-campaign
AXA Philippines is underwriter of Landmark micro insurance product Gcash Insurers	November 10, 2019	https://www.manilastandard.net/business/corporate/309673/gcash-insure-axa-bare-insurance-tie-up.html
AXA Philippines is the insurance provider of UAAP Season 82	Sept 28, 2019	https://news.abs-cbn.com/advertorial/sports/09/28/19/how-axa-empowers-todays-young-athletes

ENVIRONMENT-FRIENDLY VALUE CHAIN

AXA Philippines adheres to the AXA Group Compliance and Ethics Guide which promotes the following principles on environment:

1. Businesses should support a precautionary approach to environmental challenges;
2. Undertake initiatives to promote greater environmental responsibility; and
3. Encourage the development and diffusion of environmental friendly technologies.

In line with the above principles, for year 2019, AXA Philippines implemented the following initiatives at its head office in order to promote environment-friendly value chain and sustainable development:

1. Use of design techniques (e.g. agile working environment, open spaces, etc.) in the renovation of the workplace that prioritizes natural light during the day.
2. Regular maintenance of airconditioning units, lighting units, water faucets, and other facilities to minimize energy and/or water consumption and to promote cleanliness.

3. Policy on Health & Safety which promotes good housekeeping.
4. Designated areas (plazas, mini plazas, pantry area) for eating on each floor to discourage employees from eating at their work stations.

2019 AXA INSTRUCTOR LED TRAINING FOR ITS EMPLOYEES

2019 Instructed-Led Training of AXA			
Entity	General Insurance		
Name	Total# of Participants	Hrs./Session	Total Hrs.
269Th Basic Non-Life Insurance Course 2019	3	30	90
270Th Basic Non-Life Insurance Course 2019	2	30	60
271St Basic Non-Life Insurance Course 2019	3	30	90
272Nd Basic Non-Life Insurance Course 2019	1	30	30
273Rd Basic Non-Life Insurance Course - 2019	2	30	60
274Th Basic Non-Life Insurance Course - 2019	3	30	90
278Th Basic Non-Life Insurance Course - 2019	1	30	30
29Th Basic Non-Life Insurance Course - Daytime 2019	2	30	60
Advanced Course On Loss Adjustment Clark 2019	1	30	30
Advanced Course On Reinsurance 2019	1	30	30
Basic Non-Life Insurance Course - Baguio 2019	4	30	120
Basic Non-Life Insurance Course - Cebu 2019	5	30	150
Basic Non-Life Insurance Course - Clark 2019	5	30	150
Industrial All Risk (Iar) - 2019	2	30	60
Intermediate Course On Reinsurance 2019	2	30	60
Property Insurance On Condominium Seminar 2019 (Iiap.Apac.Pila)	1	30	30
Technical Total	38	480	1140
Axelerate	19	15	285
Behavior Based Interview	1	5	5
Check-In/ Coaching	4	8	32
Goal Setting for People Managers	18	4	72
Manager@AXA	13	16	208

2019 Instructed-Led Training of AXA			
Entity	General Insurance		
Name	Total# of Participants	Hrs./Session	Total Hrs.
Leadership Total	55	48	602
Basic Excel Skills	15	30	450
Communication and Presentation Skills	15	16	240
Designathon	1	16	16
Kaizen	21	16	336
Kaizen: Solve Problems with Kaizen by Continuous Improvement May 21, Tuesday, 9:30 AM	41	8	328
Problem Solving and Decision Making	5	16	80
Project Management	14	16	224
Q1 LW :Career Talk	33	2	66
Q2 LW: Data Science: Understanding Data Science by Albert Gavino, Data Science Senior Manager May 20, Monday, 9:00 AM	14	3	42
Q2 LW: Design Thinking: Redefine Problems and Create Innovative Solutions by Mark VERAYO, Automation, Innovation, and Experience Design Head May 23, Thursday, 9:00 AM	31	3	93
Q2 LW: The Learning Mindset: Grit to Great by Jonathan Yabut, The Apprentice Asia Winner: What does it take to win? Learning Offering Launch and Enrollments AXA Philippines Battle of Division's Best May 22, Wednesday, 9:00 AM	50	3	150
Q3 LW: Financial Management	26	2	52
Q4 LW: Customer First JTBD	6	3	18
Q4 LW: Service that Sizzles	13	3	39

2019 Instructed-Led Training of AXA			
Entity	General Insurance		
Name	Total# of Participants	Hrs./Session	Total Hrs.
Transversal Total	285	137	2134
AXA First Day High	53	17	901
Onboarding Total	53	17	901
2019 Instructed-Led Training of AXA			
Entity	Life Insurance		
Name	Total# of Participants	Hrs./Session	Total Hrs.
17Th Basic Non-Life Insurance Course - One Week Edition 2019	1	30	30
269Th Basic Non-Life Insurance Course 2019	1	30	30
26Th Basic Non-Life Insurance Course - Daytime 2019	1	30	30
270Th Basic Non-Life Insurance Course 2019	5	30	150
271St Basic Non-Life Insurance Course 2019	2	30	60
273Rd Basic Non-Life Insurance Course - 2019	1	30	30
274Th Basic Non-Life Insurance Course - 2019	1	30	30
275Th Basic Non-Life Insurance Course - 2019	1	30	30
277Th Basic Non-Life Insurance Course - 2019	1	30	30
278Th Basic Non-Life Insurance Course - 2019	1	30	30
Technical Total	15	300	450
Axelerate	62	15	930
Behavior Based Interview	18	5	90
Check-In/ Coaching	18	8	144
Goal Setting for People Managers	35	4	140
Manager@AXA	71	16	1136
Leadership Total	204	48	2440
Advanced Excel Skills	20	30	600
Basic Excel Skills	16	30	480
Communication and Presentation Skills	31	16	496
Designation	24	16	384
Kaizen	35	16	560
Kaizen: Solve Problems with Kaizen by Continuous Improvement	57	8	456

2019 Instructed-Led Training of AXA			
Entity	General Insurance		
Name	Total# of Participants	Hrs./Session	Total Hrs.
May 21, Tuesday, 9:30 AM			
Problem Solving and Decision Making	23	16	368
Project Management	58	16	928
Q1 LW :Career Talk	30	2	60
Q2 LW: Data Science: Understanding Data Science by Albert Gavino, Data Science Senior Manager May 20, Monday, 9:00 AM	38	3	114
Q2 LW: Design Thinking: Redefine Problems and Create Innovative Solutions by Mark VERAYO, Automation, Innovation, and Experience Design Head May 23, Thursday, 9:00 AM	59	3	177
Q2 LW: The Learning Mindset: Grit to Great by Jonathan Yabut, The Apprentice Asia Winner: What does it take to win? Learning Offering Launch and Enrollments AXA Philippines Battle of Division's Best May 22, Wednesday, 9:00 AM	92	3	276
Q3 LW: Financial Management	66	2	132
Q4 LW: Customer First JTBD	52	3	156
Q4 LW: Service that Sizzles	40	3	120
Transversal Total	641	167	5307
AXA First Day High	233	17	3961
Onboarding Total	233	17	3961