

AXA PHILIPPINES ABRIDGED GENERAL PROCUREMENT GUIDELINES

AXA Philippines' General Procurement Guidelines ("Guidelines") outlines the procedures to be followed by all AXA employees in requesting for goods and services through Procurement. The Guidelines encompasses the different activities of the Procurement to Payment (P2P) process including Supplier Accreditation, Bidding, Selection and Awarding.

The Guidelines also specifically provides guidance on the travel requisition process in accordance with the approved AXA Regional Travel Policy and AXA PH Travel Policy.

GENERAL GUIDELINES

1. The Procurement Team, consisting of both Procurement and Purchasing units, ("Procurement") is the owner of the Guidelines and all the processes and activities stipulated in this document. The Guidelines work in compliance with the Anti-Money Laundering Act ("AML") and all other AXA compliance policies.
2. All AXA employees must comply with the Guidelines set forth herein. No deviation from the Guidelines are allowed unless with the endorsement from the Procurement Head and approval of the Chief Financial Officer ("CFO").

SUPPLIER ACCREDITATION GUIDELINES

General Accreditation Guidelines

1. AXA shall only enter into transactions with suppliers that have legal business operations and are duly registered with government agencies such as the Bureau of Internal Revenue (BIR), the Securities & Exchange Commission (SEC), and the Department of Trade and Industry (DTI), where applicable. Procurement shall screen supplier using AXA PH Watch list and / or AXA Group screening platform such as World check.
2. Suppliers which are considered Related Party (please see Guidelines on Related Party Transactions), shall undergo AXA PH Accreditation Process. Procurement shall report to Board Risk Management, Audit, and Compliance Committee (BRMACC) any application for accreditation of Related Party.
3. A business call to confirm the information provided by the supplier based on the documents in Appendix A should be made. Whenever possible, a visual check of the business to verify its actual existence and that it has the capability of performing its stated business should be performed.
4. Procurement will maintain a list of accredited suppliers from different geographical locations. Accredited suppliers will be classified as "Regular" or "One-Time" suppliers defined as those that have recurring or one-time engagements with AXA, respectively.

Procurement Selection Process and Criteria

1. Inviting Suppliers

- Procurement through a written or email correspondence shall invite suppliers.
- Suppliers can formalize their intention for accreditation through a written or email correspondence addressed to Procurement.
- The complete Business Requirement Specifications (BRS) or Scope of Work (SOW) are important for determining and sourcing the right supplier/s. If there is no exact product or service available in the market, Procurement will recommend an alternative supplier that offers a similar product or service.

2. Submission of Requirements

- After the meeting/presentation, suppliers must accomplish and submit the mandatory Accreditation Requirements to Procurement within five (5) business days from the receipt of the Supplier Accreditation Form (SAF).
- Procurement shall check the completeness and authenticity of the submitted documents. If there are issues or concerns with the requirements, the supplier will be immediately informed for the appropriate course of action.

3. Evaluation of Suppliers for Accreditation

- All suppliers must be screened through the Watch List and World Check (Norkom is accessible to Legal and Compliance) then assessed using the Risk Rating Form to determine their appropriate risk ratings. The risk rating determines if a supplier will be allowed to proceed to the next step of the accreditation process.
- Suppliers that receive a "Normal" risk rating will be evaluated based on their ability to effectively provide excellent service to AXA using the Supplier Evaluation Form and through the Accreditation Criteria below. The Supplier Evaluation Form must include the recommendation and the specific reasons for approved/disapproved accreditation. The Accreditation Criteria below shall be reviewed on a regular basis depending on the need.

ACCREDITATION CRITERIA	SCORE (variable)
a. Product or Service Quality	20%
b. Financial Stability	20%
c. Position in the Industry and Clientele	20%
d. Technical Competence	20%
e. Production Facility and Capacity	20%
TOTAL	100%

- If necessary, Procurement may conduct a site visit to the supplier's office, plant or warehouse to assess the supplier's actual operations and capacity to deliver. The Requestor may join the activity.
- Procurement will send an official correspondence to all suppliers stating successful or unsuccessful accreditation.
- Upon Procurement's request, suppliers must submit all relevant information such as operational, management, financial, and technical data for evaluation.
- Procurement shall immediately report any suspicious transactions on money laundering to Legal and Compliance using the Suspicious Transactions Report Form. Procurement shall ensure that report will be confidential.

4. Inclusion in the Accredited Supplier List / Supplier Segmentation

- Accredited suppliers will undergo a periodic Supplier Performance Review that is conducted by Procurement in partnership with the Requestor.

5. Supplier Bidding Guidelines

• Pre-Bid

Prior to any supplier bidding activity, the Requestor must:

- Secure the approved budget.
- Ensure that there is an approved business rationale.
- Specify the bid evaluation criteria through the Bid Evaluation Form

The bid evaluation criteria should be customized according to the Requestor's requirements. A proposed standard criteria is as follows:

CRITERIA	DEFINITION
a. Quality of Service	<ul style="list-style-type: none"> • Suitability of proposal or solution to the business specifications/requirements • Supplier's demonstrated track record
b. Cost	<ul style="list-style-type: none"> • Fit of pricing proposal to the approved budget • Cost avoidance and expense management strategy
c. Supplier Relationship	<ul style="list-style-type: none"> • Quality of account management • Service availability or response time
d. Innovation	<ul style="list-style-type: none"> • Creativity of proposals or solutions vis-à-vis other industry players • Use of internal processes and tools to deliver project • Business intelligence of competitive landscape
e. Risk Management	<ul style="list-style-type: none"> • Supplier's financial health • Corporate Responsibility business model

In any supplier selection process, Procurement may liaise with the AXA Regional Office for available selection criteria.

- Ensure that the Non-Disclosure Agreement (NDA) is in place.

- **Bid Proper**

After the Pre-Bid requirements are completed, Procurement will invite accredited suppliers to submit their bids either through a Request for Quotation (RFQ) or Request for Proposal (RFP).

- **Post-Bid and Contract Awarding**

- Procurement and Requestor shall evaluate bids quantitatively and qualitatively using the TCO approach and the bid evaluation criteria scores.
- Procurement will document the bid results in the Supplier Canvass Sheet (SCS).
- Procurement shall officially award and notify the winning supplier through an Award Letter.
- If the winning supplier is considered a Related Party, Procurement shall notify the Business Unit and the Business Unit will seek approval of BRMACC before proceeding with the awarding. Procurement should provide and attach all necessary information and/or documents as support for the recommendation to award any requirement to a Related Party.
- Procurement shall prepare the contract after the winning supplier has confirmed the BRS or SOW in the Award Letter. All concerned AXA employees should consult the Contract Management Guidelines from the Legal & Compliance Department when dealing with supplier contracts.
- Should the winning supplier withdraw during the awarding process or decline the BRS or SOW in the Award Letter, Procurement will award the contract to the next viable supplier. In the event that this is not possible, the bidding activity will be deemed "unsuccessful".
- Unsuccessful bidding activities will be repeated subject to the approval of the Requestor and the Procurement Head.