

# **CHARTER PING AN INSURANCE CORPORATION 2019 CORPORATE GOVERNANCE REPORT**

The report contains further disclosures on Charter Ping An's corporate governance, activities, and internal control.

## **VISION AND MISSION**

Charter Ping An 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 seven (7) members. Each of the member of the 2019 Board of Directors owns five (5) nominal shares.

From the 7 members, only one (1) is an Executive Director and member of the Senior Management Team – the President and CEO. 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.

## **DIVIDEND POLICY**

Charter Ping An shall declare and pay 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.

There were no dividends declared and paid in 2019.

## **CREDITORS' RIGHTS**

Charter Ping An 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, Charter Ping An has established appropriate policies that govern the vendor accreditation, selection, bidding and approval processes. Under Charter Ping An's Procurement Policy, all vendors should be accredited by Charter Ping An 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.

Charter Ping An's 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 Charter Ping An complies.

## **2019 MEDIA BRIEFINGS, PRESS CONFERENCES, AND PRESS RELEASES**

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

## **ENVIRONMENT-FRIENDLY VALUE CHAIN**

Charter Ping An 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, Charter Ping An 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 CPAIC 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
<b>Technical Total</b>	<b>38</b>	<b>480</b>	<b>1140</b>
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
<b>Leadership Total</b>	<b>55</b>	<b>48</b>	<b>602</b>
Basic Excel Skills	15	30	450
Communication and Presentation Skills	15	16	240
Designathon	1	16	16

2019 Instructed-Led Training of AXA			
Entity	General Insurance		
Name	Total# of Participants	Hrs./Session	Total Hrs.
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
<b>Transversal Total</b>	<b>285</b>	<b>137</b>	<b>2134</b>
AXA First Day High	53	17	901
<b>Onboarding Total</b>	<b>53</b>	<b>17</b>	<b>901</b>