

CHARTER PING AN INSURANCE CORPORATION 2018 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 2018 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 2018.

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.

2018 MEDIA BRIEFINGS, PRESS CONFERENCES, AND PRESS RELEASES

Event/Press Release	Description
Insurance Coverage for Bb Pilipinas 2018 Candidates	The Ladies of Binibining Pilipinas 2018 Candidates paid a courtesy call to AXA Philippines and Charter Ping An, to accept their certificates of personal accident insurance coverage. CPAIC is the official insurance provider of the prestigious beauty pageant.
AXA: The one name to remember for all your insurance needs	AXA now also offers non-life insurance coverage via Charter Ping An, its General Insurance subsidiary, which it acquired in 2016. The Charter Ping An brand now folds into the AXA brand, and both companies will be known only as AXA Philippines.
5 Travel Fails to Avoid	Smart Traveller of Charter Ping An will provide travel protection, and also a wide range of benefits including 24 hour medical assistance, even refunds for unexpected expenses.

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 2018, 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.

2018 CPAIC INSTRUCTOR LED TRAINING FOR ITS EMPLOYEES

2018 Instructor Led Training of AXA			
Entity	General Insurance		
Focus	Total # of Participants	Hrs./ Session	Total Hrs.
11TH BASIC NON-LIFE INSURANCE COURSE - ONE WEEK EDITION 2018	3	42	126
12TH BASIC NON-LIFE INSURANCE COURSE - SATURDAY 2018	3	42	126
13TH BASIC NON-LIFE INSURANCE COURSE - SATURDAY EDITION 2018	5	42	210
14TH BASIC NON-LIFE INSURANCE COURSE - SATURDAY EDITION 2018	3	42	126
22ND BASIC NON-LIFE INSURANCE COURSE - DAYTIME 2018	1	42	42
255TH BASIC NON-LIFE INSURANCE COURSE 2018	3	42	126
258TH BASIC NON-LIFE INSURANCE COURSE - 2018	2	42	84
260TH BASIC NON-LIFE INSURANCE COURSE 2018	1	42	42
262ND BASIC NON-LIFE INSURANCE COURSE - 2018	2	42	84
264TH BASIC NON-LIFE INSURANCE COURSE 2018	4	42	168
268TH BASIC NON-LIFE INSURANCE COURSE 2018	3	42	126

ADVANCED COURSE ON MOTOR INSURANCE 2018	1	15	15
ADVANCED COURSE ON MOTOR INSURANCE -CLARK 2018	4	15	60
ADVANCED COURSE ON SURETYSHIP - 2018	1	27	27
ADVANCED COURSE ON SURETYSHIP - CDO 2018	1	21	21
BASIC NON-LIFE INSURANCE COURSE - BAGUIO 2018	7	42	294
BASIC NON-LIFE INSURANCE COURSE - CDO 2018	3	42	126
BASIC NON-LIFE INSURANCE COURSE - CEBU 2018	5	42	210
BASIC NON-LIFE INSURANCE COURSE - CLARK 2018	7	42	294
BASIC NON-LIFE INSURANCE COURSE - DAVAO 2018	9	42	378
BASIC NON-LIFE INSURANCE COURSE - ILOILO 2018	1	42	42
COMPREHENSIVE GENERAL LIABILITY INSURANCE 2018	2	3	6
ENGINEERING CLAIMS 2018	1	3	3
IMDP - IMPROVING GRAMMAR IN BUSINESS WRITING 2018	1	12	12
INSURANCE CLAIMS - DAVAO 2018	1	21	21
INTERMEDIATE COURSE ON FIRE INSURANCE - BAGUIO 2018	4	15	60
INTERMEDIATE COURSE ON FIRE INSURANCE 2018	1	15	15
INTERMEDIATE COURSE ON REINSURANCE 2018	2	15	30
MOTOR CLAIMS 2018	1	3	3
Technical Total	82	879	2877
Basic Leadership Workshop	1	12	12
Building High Performance Culture	50	3.5	175
Axelerate	29	15	435
Leadership Total	80	30.5	622
New Employee Fair	108	8	864
Onboarding Total	421	1701	7400