



redefining / standards



CONTACT

AXA Head Office

GT Tower International
Ayala Avenue, Makati City

Tel: (02) 885 01 01
Fax: (02) 844 46 61

Our Mission

AXA's mission is to help customers live their lives with more peace of mind by protecting them, their relatives and their property against risks, and by managing their savings and assets.

As a company whose business is about protecting people, we have a responsibility to leverage our skills, resources and risk expertise to build a stronger and safer society.

Our teams across the world are embracing five values we are not willing to compromise on, under any circumstance: Professionalism, Innovation, Pragmatism, Integrity and Team Spirit. In addition, three core attitudes (being available, attentive and reliable) guide all of our employees in better serving our clients to establish long-term relationships based on trust.

To achieve this mission, we are committed to redefining the standards of our business so we truly differentiate ourselves, and earn the trust of our key stakeholders.

Our Vision

AXA has a vision of becoming the preferred company for customers, employees and distributors. To achieve this ambition, we value our people and stand by them with our three core values of being Available, Reliable and Attentive.

We understand a quality team of employees and distributors is essential to realize our promises. The AXA Academy, one of the largest insurance training facilities in Hong Kong, is an excellent platform to provide our employees and distributors with comprehensive, tailored and well-rounded training curriculums and facilities. This is a true demonstration of our commitment to the greatest asset of our company — employees and distributors.

AXA, as a leader in providing insurance, investment and retirement planning solutions, will continue to redefine standards. Through consistent and continuous demonstration of our core values, AXA will continue to develop and deliver superior and innovative propositions to you.

THE 2015 CORPORATE GOVERNANCE ACTIVITIES OF AXA PHILIPPINES

AXA Philippines is committed to maintaining good Corporate Governance within the Company and recognizes that this can only be achieved through the Board's Management and Employee's actions to fulfill its goals and objectives in a manner that adds to the value of the Company and beneficial to its stakeholders.

For the year ending December 31, 2015, the following are the Corporate Governance activities of AXA Philippines:

RIGHTS OF SHAREHOLDERS

AXA Philippines continues to take the necessary measures to protect the rights of every shareholder. Towards this end the Board of Directors shall be committed to respect the following rights of each stockholder:

Basic Shareholder Rights. Our shareholders, whether an owner of majority or minority stake, or foreign or institutional investor, are equitably provided with the basic stockholders' rights recognized under the Corporation Code which include voting rights, pre-emptive rights, appraisal rights, rights of first refusal, right to inspect corporate books and records, right to information, right to receive dividends, right to participate and be adequately informed on decisions about fundamental corporate acts.

Right to Nominate. Any stockholder, whether majority or minority has the right to nominate candidates for seats in the Board of Directors who possess all the qualifications and none of the disqualifications of Directors as prescribed in AXA Philippines' By-Laws, applicable laws and the rules of the Insurance Commission and the Securities and Exchange Commission.

Voting Rights. In accordance with AXA Philippines' By-Laws, each Stockholder shall have the right to participate and vote, in person or by proxy, in the Annual Stockholders Meeting including the right to elect, remove and replace directors, vote on certain corporate acts in accordance with the Corporation Code.

AXA Philippines has one class of shares designated as common shares. Each outstanding share is entitled to one vote.

Termination. A director shall not be removed without cause if it is not in accordance with the Stockholders' Agreement or if it will deny minority stockholders representation in the Board.

Power of Inspection. All stockholders shall be allowed, subject to reasonable limits, to inspect corporate books and records, including the minutes of the Board meetings and stock registries in accordance with the Corporation Code. Upon request, each stockholder may be furnished with annual reports and financial statements which are also readily available on the AXA Philippines website for download.

Right to Dividends. Stockholders shall have the right to receive dividends which shall be payable in cash, property, or stock on the basis of outstanding stock held by them, as often and at such times as the Board of Directors may determine and in accordance with law and applicable rules and regulations.

In 2014, the Board of Directors approved the declaration of cash dividends amounting to P1,043,000,000 or P104.30 per share payable to all stockholders of record as of October 2014. The cash dividends were paid in November 2014 and December 2014. In 2015, no dividend was declared or paid by AXA Philippines.

Right to Participate in Shareholders' Meeting. The Stockholders (both individual and institutional) are encouraged to attend personally or by proxy the meetings of the Stockholders held at AXA Philippines' principal office in Makati City, a place easily accessible to all investors. To this end, AXA Philippines endeavored to release the notice of ASM at least 21 days from the date of the meeting together with the brief information of the agenda items to give ample time for the stockholders' to prepare for the meeting.

The stockholders are given the opportunity to ask and receive answers to their questions relating to AXA Philippines during the meeting. Relevant questions asked and answers given will be included.



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ed in the Minutes of the Annual Stockholders Meeting and posted on AXA Philippines website.

Policy on Mergers, Acquisitions and/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 recently concluded acquisition of Charter Ping An Insurance Corporation, AXA Philippines engaged independent third party firms and consultants to provide a fair evaluation and review of the transaction and to ensure the viability of such transaction to AXA Philippines. The acquisition of Charter Ping An Insurance Corporation was approved by the shareholders and thereafter, on November 5, 2015, GT Capital and AXA Philippines executed a Sale and Purchase Agreement for the latter to buy 100% of Charter Ping An Insurance Corporation.

Disclosure of the Results of the ASM. AXA Philippines made publicly available the results of the votes taken during the most recent ASM for all resolutions. The minutes of the 2015 meeting of shareholders and Assistant Secretary certification were uploaded to AXA Philippines' website the next working day after the ASM or on 18 April 2016. The minutes can be accessed on AXA Philippines website at www.axa.com.ph.

EQUITABLE TREATMENT OF SHAREHOLDERS

Conflict of Interest and Insider Trading. AXA Philippines has adequate policies in place governing the management of conflicts of interest and use of confidential information for personal gain. Details of these policies are found in AXA Group Compliance and Ethics Guide.

Related Party Transaction. AXA Philippines recognizes that related party transactions may give rise to potential conflict of interest. To address this, AXA Philippines discloses the nature and extent of these transactions in its annual audited financial statements.

2016 Annual Stockholders' Meeting (ASM). The details on how AXA Philippines' stockholders were equitably treated during the latest

ASM are as follows:

- The Notice of the ASM was published in three (3) national newspapers of general circulation namely Philippine Daily Inquirer, Manila Bulletin, and Philippine Star, on 18 March 2016 or 23 days before the date of the ASM. Simultaneous to the publications, the notice together with the agenda of the ASM was transmitted to each shareholder of record via registered mail and electronic mail. The rationale and brief explanations of each agenda item were also provided to guide the stockholders in arriving at a well-informed decision.
- A proxy form was enclosed in the Notice to assist the stockholders who cannot attend the meeting in person. Copy of the proxy form may also be downloaded from AXA website.
- The 2016 ASM was held on April 15, 2016 (Friday) at 10:00 am at AXA Philippines principal office at the 34F GT Tower International, 6813 Ayala Avenue corner H.V. Dela Costa Street, Makati City.
- During the meeting, the Chairman encouraged each and every stockholder to raise their questions or to express their opinions or recommendations. The management present during the meeting addressed and answered all the questions and noted the recommendations and opinions of the stockholders. The questions asked and recommendations were duly recorded in the 2016 ASM Minutes. The 2016 ASM Minutes and the Assistant Secretary's certification containing the voting results, among others, were made available on the AXA Philippines website on 18 April 2016 (Monday).

ROLE OF STAKEHOLDERS

AXA's goal is to become the preferred company for all its stakeholders. Towards this end, AXA aims to strengthen its focus on the customer and to foster employee involvement through building a culture of trust and achievement.

Therefore, AXA Philippines has been implementing its policies and programs in dealing with its stakeholders to create a lasting value for its stakeholders.

Creditors, Counterparties and Suppliers. 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.

Anti-Corruption Programmes. AXA is committed to the highest standards of ethical business conduct. Business gifts are sometimes used to foster goodwill and sound working relationships among business partners. This is acceptable business practice. However, under certain circumstances, gifts may be offered in an attempt to obtain or "purchase" favourable treatment. This is not acceptable business practice and AXA employees must not offer or receive gifts in these circumstances. AXA Philippines Gifts and Entertainment Policy provides guidance on how and when gifts can, and cannot, be accepted and offered.

Under its Gifts and Entertainment Policy all gifts and entertainment from third parties are no longer allowed to be accepted regardless of amount especially in exchange for any unnecessary favorable treatment. The receiver gives the AXA Thank You Card to the giver upon refusal of the gift. All gifts received or will be given are reported to the Legal and Compliance.



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Further, AXA Anti-Bribery Policy prohibits the offering, giving, requesting, receiving, facilitation or authorization of any illegal bribe or inducement which, in contravention of applicable law, results in personal gain or advantage to the recipient (or any person or body associated with the recipient) and which is intended to improperly influence a decision of the recipient. AXA Group companies must not engage, either directly or indirectly through third party intermediaries or otherwise, in Bribery. This includes (i) the use of cash and/or non-cash forms of incentive such as gifts and (ii) the payment or receipt of Bribes.

These policies are applicable to all its employees (including fixed term and temporary workers), contractors, consultants, officers and directors of AXA Philippines.

Employees. AXA Philippines puts high importance to its employees. AXA Philippines has implemented policies and programs to ensure protection and well-being of the employees.

Training and Development. In AXA Philippines, learning and development plays a very important role in the sustainable long term growth of the organization. AXA Philippines invests in various initiatives to ensure the people continually grow and progress. AXA Philippines provides several opportunities for employees to take charge of their career, to learn and develop themselves so they may reach their full potential.

In AXA Philippines, employee trainings are provided through in house training conducted by the HR Department trainers and internal resources (face to face or through online courses and training catalogues), AXA University in Singapore and external learning providers. Aside from the orientation program for new employees, AXA employees go through specific learning programs for their job grad level. They have a learning journey anchored on six learning focus areas – cultural transformation, mastering the business, governance, transversal skills, managing change, and digital transformation. Each focus area has various training programs aimed at developing ones capabilities and allow the employees to become ready to take on greater responsibilities and opportunities in the organization.

The training schedule is posted on the HR Portal (SharePoint drive).

For 2015, AXA Philippines has offered various training and development opportunities to its employees. Programs such as Basics of Life Insurance, Basics of Project Management, corporate governance, and putting customer first, among others, were offered to its employees in 2015. Also new employees undergo the 2-day mandatory onboarding program to give the new employees an in-depth understanding and appreciation of AXA Philippines business and culture. An estimated total 7,264 training hours of AXA Philippines employees were spent for classroom trainings, online trainings and LOMA.

Employee Welfare. AXA is committed to promoting diversity and inclusiveness by creating a work environment where all employees are treated with dignity and respect and where individual differences are valued. We are committed to provide equal employment and advancement opportunities to all individuals, and employment decisions at AXA Philippines will be based on merit, qualifications and competencies. The Company does not discriminate in employment opportunities or practices on the basis of race, color, religion, gender, sexual orientation, national origin, age, disability or any other characteristic protected by law. We are dedicated to cultivating a diverse and inclusive environment where all employees feel fully engaged and included in our business and our strategy to become the preferred company.

AXA Philippines will make reasonable accommodations for qualified individuals with known disabilities unless doing so would result in an undue hardship. This policy governs all aspects of employment, including selection, job assignment, compensation, discipline, termination and access to benefits and training.

Compensation Policy. AXA is committed to maintain viable compensation plan for its employees. The basic principle is to recognize through salary adjustment only the attainment of relevant educational credentials or qualification requirements associated with the role as defined in the job description i.e. so-called milestones. Other rewards are in the form of one-off cash bonuses. While salary adjustments on the intermediate, per-exam basis have been retained giving

consideration for legacy and market practices, such adjustments have been rationalized to give way to more meaningful milestone adjustments in this Program.

To recognize significant contributions in the organization, AXA has an annual salary review for all employees on the basis of their performance for the year. Employees who have rendered at least 3 full months in the relevant performance year, or whose hiring date is no later than October 1, are eligible to participate in the year's salary review.

Health and Safety. To assist in providing a safe and healthful work environment for employees, customers and visitors, AXA Philippines has established a workplace safety program.

Safety consciousness is an important part of everyone's job. Accidents do not just happen, they are caused. Strict adherence to safety rules is the only way to protect yourself and your fellow employees from possible injury.

AXA Philippines provides information to employees about workplace safety and health issues through regular internal communication channels such as supervisor-employee meetings, email announcements, memos or other written communications.

Employees are expected to obey safety rules and exercise caution in all work activities. They are to immediately report any unsafe condition to the appropriate personnel. Employees who violate safety standards, who cause hazardous or dangerous situations or who fail to report or, where appropriate, remedy such situations, may be subject to disciplinary actions, up to and including termination of employment.

In the case of accidents that result in injury, regardless of how insignificant the injury may appear, employees should immediately notify the Crisis Management Team.

Further, AXA Philippines has recently joined the CPR-Ready Philippines Awareness Campaign initiated by the Philippine Heart Association Inc. (PHA). This campaign is an effort to help promote awareness and provide



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basic knowledge on Hands-Only CPR to every Filipino. You may access the article on CPR-Ready drive at this address: <http://www.sunstar.com.ph/davao/business/2016/04/30/axa-philippines-backs-cpr-ready-drive-470866>

Corporate Responsibility. AXA Philippines recognizes Corporate Responsibility as a key driver of business value. Being in the business of protecting people, it is imperative that the Company think long-term to meet the needs of its stakeholders. Among its stakeholders are the environment and the community.

Activities

Environmental Reporting. AXA Philippines uses an environmental reporting tool to actively manage its power, water and paper consumption as well as carbon emission from business travel. The reporting exercise happens every 4th and 1st quarter of the year. About the same time, AXA Philippines also invites employees to participate in the Transport Survey where the commuting patterns of employees are reported.

Corporate Responsibility Week. CR Week is an annual activity to reinforce awareness of AXA Philippines' responsibilities to the environment and the community. A number of CSR and environmental activities are launched within this week.

CSR. AXA Philippines are partnering with a Young Focus, a non-government organization that provides education, livelihood and wellness assistance to marginalized communities in Tondo. Employees are enjoined to participate in activities that include: sharing time with the beneficiaries, sharing skills and giving donations.

AXA Hearts in Action. AXA Philippines' CSR and other outreach programs are regularly implemented through the AXA Hearts in Action. This is the overarching program by which all of our CSR initiatives are executed. Membership to AXA Hearts in Action is voluntary.

In 2015, the CSR programs of AXA Philippines covered two mayor initiatives: the establishment of a major partnership with the Philippine Cancer Society, Inc. (PCSI) and the holding of an outreach activity in Smokey Mountain. AXA Philippines'

partnership with PCSI was for initiatives aimed at increasing the awareness of cancer prevention and treatment and the need for planning and preparing for the financial impact of critical illnesses like cancer. As part of the partnership, AXA Philippines committed to donate Php100 for every AXA health insurance policy sold, resulting in a recent donation of Php1 Million to the non-profit organization.

AXA Philippines also visited Young Focus, a non-profit organization that implements various programs to support the development of the children from the Smokey Mountain area in Tondo through education. The visit offered AXA Philippines employees the chance the meet the beneficiaries of Young Focus and directly interact with the community. AXA Philippines has planned further interaction among its employees and the children in Smokey Mountain in the future.

Additional Disclosures

Board of Directors. Trainings, programs and seminars attended by each Director:

SOLOMON S. CUA CHAIRMAN

NATURE/TITLE	CONDUCTED BY	YEAR TAKEN
Corporate Governance Seminar	Institute of Corporate Directors	2015
Anti-Money Laundering Seminar	BAIPHIL	2015
Corporate Governance Seminar	Institute of Corporate Directors	2014
Economic Outlook: Philippine Investment Summit	Dr. Nouriel Roubini	30-Jan-13
2013 Tax Brief: New Rules of Taxation of Interest Income and other Issues Affecting Financial Institutions	Atty. Benedict Du-Baladad, Du-Baladad & Associates – Managing Partner & CEO	21-Mar-13
Risk Seminar for the Board "Strategic Business Risk in the Light of ICAAP and Basel 3"	SGV-EY	17-Feb-11
FMIC Annual Risk Briefing: "Cybercrime Prevention and Data Privacy Act: Impact to Corporations"	Mr. Emiliano Librea III from Punongbayan & Araullo Partner & CIO	15-Mar-13
Corporate Governance for Bank Directors	Institute of Corporate Governance	2002

FERNAND ANTONIO A. TANSINGCO VICE CHAIRMAN

NATURE/TITLE	CONDUCTED BY	YEAR TAKEN
Advanced Asset Liabilities Management	Standard Chartered Bank, Singapore	1999
Top Gun Trading Seminar	Standard Chartered Bank, London	1998
Treasury Management Course	Standard Chartered Bank, Singapore	1998
Advanced Interest Rate Risk Management	Euromoney, Hong Kong	1996
Managing Risk in Treasury and Derivatives	Institute of Banking and Finance, Singapore	1994
Accredited Treasury Professional	Ateneo-BAP	1997
Officership Training Program	Bank of the Philippine Islands	1988

RAHUL HORA MEMBER/ PRESIDENT and CHIEF EXECUTIVE OFFICER

NATURE/TITLE	CONDUCTED BY	YEAR TAKEN
Orientation Course on Corporate Governance	The Institute of Corporate Directors	2010



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ARTHUR TY MEMBER

NATURE/TITLE	CONDUCTED BY	YEAR TAKEN
Trainee	IBI Asia, HK	1987
FX Trainee	Citibank, Manila	1989
Treasury Trainee	Metrobank	1990
Insights on the Anti-Money Laundering Act (AMLA), Its Compliance Requirements and Its Implications on the Banking Operations	Atty. Vicente S. Aquino, Executive Director of the Anti-Money Laundering Council Secretariat and Assistant Gov. of BSP	2011
Corporate Governance for Bank Directors	The Institute of Corporate Directors	2002
AML Risk Rating System and Amendments to BSP Cir. No. 706 and AMLA Law, RA 10365	Bankers Institute of the Philippines, Inc.	23-May-13
Distinguish Corporate Governance Speaker Seminar Series	The Institute of Corporate Directors	5-Feb-14
Corporate Governance Seminar	SGV & Company	3-Jul-14
AML Briefing for Directors and Senior Management	Bankers Institute of the Philippines, Inc.	29-Aug-14
Corporate Governance for Bank Directors	Institute of Corporate Directors	22-Apr-15
Cutting Through the FinTech Noise: Markers of Success, Imperatives For Banks	McKinsey & Company	1-Feb-16

RONALDO C. SAN JOSE MEMBER

NATURE/TITLE	CONDUCTED BY	YEAR TAKEN
Investments & Investment Accounting	Insurance Institute For Asia & The Pacific	1994
Change-Able Manager Program	Ing Business School	2003
Risk Management And International Product Trend	Gen Re (Cologne, Germany)	2008

LOPE M. YUVIENCO INDEPENDENT DIRECTOR

NATURE/TITLE	CONDUCTED BY	YEAR TAKEN
Basic Insurance Selling Product Orientation	Ayala Life Assurance Co.	1996
Passed IC Licensure Examination	Insurance Commission	1996
Corporate Governance and Risk Management for Board of Directors	Development Finance Institute	2005
Professional Directors Program	Institute of Corporate Directors	2006

Board Committees

Board Risk Management, Audit and Compliance Committee. The Committee comprises of at least three (3) members and may have a maximum number of seven (7) members; each of whom must fulfill applicable listing, legal & regulatory requirements, joint venture agreement as well as the AXA Group requirements on competence and independence.

The BRMACC had three (3) meetings in 2015. Details of the meeting attendance are as follows:

Members	No. of Meetings
Jaime C. Laya* Chairman, Independent Director	2
Solomon S. Cua Member, Non-Executive	3
Benoit Claveranne Member, Non-Executive	2
Lope M. Yuvienco Member, Independent Director	3

**Dr. Jaime C. Laya, CPA, Ph. D, Chairman of BRMACC, graduated from the University of the Philippines with a degree in B.S.B.A (Accountancy). He was one of the founders and chairman of Laya, Mananghaya & Co., a Philippine member firm of KPMG International, one of the world's largest professional organization.*

Board Remuneration Committee. The Committee consists of three (3) directors.

The BRC had three (3) meetings in 2015. Details of the meeting attendance are as follows:

Members	No. of Meetings
Benoit Claveranne Chairman, Non-Executive	2
Solomon S. Cua Member, Non-Executive	3
Lope M. Yuvienco Member, Independent Director	2

Board of Investment Committee. The Committee consists of six (6) directors.

The BIC had three (3) meetings in 2015. Details of the meeting attendance are as follows:

Members	No. of Meetings
Fernand Antonio A. Tansingco Chairman, Non-Executive	3
Severinus P.P. Hermans Member	3
Alesandra T. Ty Member, Non-Executive	2
Maria Faustina B. Raymundo Member	3
Ronaldo C. San Jose Member	3
Robert Juanchito T. Dispo Member, Non-Executive	3

Board Nomination Committee. The Committee consists of three (3) directors.

For 2015, the following were the members of the BNC.

Members	No. of Meetings
Solomon S. Cua Chairman, Non-executive	-
Jaime C. Laya Member, Independent Director	-
Severinus P.P. Hermans Member	-