

Company Name: Philippine AXA Life Insurance Corporation

Financial Year End: 2017

Sector: Insurance

Class: 3

| | OECD Principle | Yes / No | Reference/Source Document | Links | |
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| A Rights of Shareholders | | | | | |
| A.1 Basic Shareholder Rights | | | | | |
| A.1.1 | Does the company pay (interim and final/annual) dividends in an equitable and timely manner; that is, all shareholders are treated equally and paid within 30 days after being (i) declared for interim dividends and (ii) approved by annual general meeting (AGM) for final dividends? | OECD Principle II: The Rights of Shareholders and Key Ownership Functions (A) Basic shareholder rights should include the right to, amongst others: (6) share in the profits of the corporation. | Y | AXA Philippines Revised Corporate Governance Manual: Page 5, 10, 24 2017 Annual Report: Page 24 2017 Corporate Governance Report: Dividend Policy | Corporate Governance Manual 2017 Annual Report 2017 Corporate Governance Report |
| A.2 Right to participate in decisions concerning fundamental corporate changes. | | | | | |
| Do shareholders have the right to participate in: | | | | | |
| A.2.1 | Amendments to the company's constitution? | OECD Principle II (B) Shareholders should have the right to participate in, and to be sufficiently informed on, decisions concerning fundamental corporate changes such as: (1) amendments to the statutes, or articles of incorporation or similar governing documents of the company. | Y | Default Item in IC Circular No. 2015-23 dated 08 May 2015 Stockholders have the right to participate in the amendments to AXA Philippines Articles of Incorporation (AOI) and By-Laws. The Stockholders may vote in person or by proxy. These are embodied in Article II, Section 7 and Section 9 of AXA Philippines Amended By-Laws: Section 7. Manner of Voting. Section 9. Matters requiring two-thirds (2/3) vote. x x x (a) Amendment of the Articles of Incorporation AXA AOI and By-Laws were not amended in 2017. | Amended By-Laws |

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| A.2.2 | The authorisation of additional shares? | OECD Principle II (B): (2) the authorisation of additional shares. | Y | Default Item in IC Circular No. 2015-23 dated 08 May 2015 Article II, Section 7 and Section 9 of AXA Philippines Amended By-Laws. Section 7. Manner of Voting Section 9. Matters requiring two-thirds vote. C) Increase or decrease of the authorized capital stock of the Corporation or the creation of a new class of shares, rights or options to take up shares. | Amended By-Laws |
| A.2.3 | The transfer of all or substantially all assets, which in effect results in the sale of the company? | OECD Principle II.(B): (3) extraordinary transactions, including the transfer of all or substantially all assets, that in effect result in the sale of the company. | Y | Default Item in IC Circular No. 2015-23 dated 08 May 2015 Article II, Section 7 and Section 9 of AXA Philippines Amended By-Laws. Section 7. Manner of Voting Section 9. Matters requiring two-thirds vote. k) Any disposition of or the voluntary creation of any mortgage, charge, encumbrances or lien on all or substantially all of the assets or business, or any major asset or business of the Corporation except in the ordinary course of business. | Amended By-Laws |
| A.3 Right to participate effectively in and vote in general shareholder meetings and <u>should</u> be informed of the rules, including voting procedures, that govern general shareholder meetings. | | | | | |
| A.3.1 | Do shareholders have the opportunity, evidenced by an agenda item, to approve remuneration (fees, allowances, benefit-in-kind and other emoluments) or any increases in remuneration for the <u>non-executive directors/commissioners</u> ? | OECD Principle II (C): (3) Effective shareholder participation in key corporate governance decisions, such as the nomination and election of board members, should be facilitated. Shareholders should be able to make their views known on the remuneration policy for board members and key executives. The equity component of compensation schemes for board members and employees should be subject to shareholder approval. | Y | Default Item in IC Circular No. 2015-23 dated 08 May 2015 The Board Remuneration Committee recommends the framework for the remuneration of directors (both executive and non-executive) to the Board of Directors. The Board of Directors thereafter approves/disapproves the framework. All acts of the Board (including the approval of the remuneration) are presented to the stockholders for their approval and ratification. AXA Philippines Revised Corporate Governance Manual: Pages 18-19 Notice of the 2018 ASM: Agenda Item No. 4 Minutes of the 2018 ASM | Corporate Governance Manual Notice of 2018 ASM Minutes of 2018 ASM |

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| A.3.2 | Does the company provide non-controlling shareholders a right to nominate candidates for board of directors/commissioners? | | Y | As prescribed by AXA By-laws, all shareholders, whether controlling or minority, are given the right to nominate candidates for the Board. Article III. Section 1 - Composition. xxx at least five (5) shall be nominated by the Minority Stockholder xxx | Amended By-Laws |
| A.3.3 | Does the company allow shareholders to elect directors/commissioners individually? | | Y | Amended By-Laws : Article II, Section 7; Article III, Section 2; Article IV, Section 1 Minutes of the Annual Meeting of Stockholders held on 25 April 2018: Item No. 7 | Amended By-Laws Minutes of 2018 ASM |
| A.3.4 | Does the company disclose the voting and vote tabulation procedures used, declaring both before the meeting proceeds? | OECD Principle II (C): Shareholders should have the opportunity to participate effectively and vote in general shareholder meetings and should be informed of the rules, including voting procedures, that govern general shareholder meetings. | Y | Minutes of the Annual Meeting of Stockholders held on 25 April 2018: Item Nos. 2 and 7 | Minutes of 2018 ASM |
| A.3.5 | Do the minutes of the most recent AGM record that there was an opportunity allowing for shareholders to ask questions or raise issues? | OECD Principle II (C): (2) Shareholders should have the opportunity to ask questions to the board, including questions relating to the annual external audit, to place items on the agenda of general meetings, and to propose resolutions, subject to reasonable limitations. | | During the recent ASM, after the President has rendered his report for year 2017, the Chairman opened the floor for questions and comments from the stockholders. All throughout the meeting, the Chairman accepted questions and issues raised by any shareholder. AXA Philippines 2018 ASM Minutes | Minutes of 2018 ASM |
| A.3.6 | Do the minutes of the most recent AGM record questions and answers? | | | The 2018 ASM Minutes record questions and answers. AXA Philippines 2018 ASM Minutes | Minutes of 2018 ASM |
| A.3.7 | Does the disclosure of the outcome of the most recent AGM include resolution(s)? | | Y | The 2018 ASM Minutes include the resolutions passed during the meeting. AXA Philippines 2018 ASM Minutes | Minutes of 2018 ASM |
| A.3.8 | Does the company disclose the voting results including approving, dissenting, and abstaining votes for each agenda item for the most recent AGM? | | Y | The 2018 ASM Minutes include the voting results including the approving, dissenting and abstaining votes of each resolutions passed. For 2018 ASM, all resolutions were approved by 100% of the 9,850,658 shares represented during the meeting. AXA Philippines 2018 ASM Minutes | Minutes of 2018 ASM |
| A.3.9 | Does the company disclose the list of board members who attended the most recent AGM? | OECD Principle II (C); and ICGN 2.4.2: All directors need to be able to allocate sufficient time to the board to perform their responsibilities effectively, including allowing some leeway for occasions when greater than usual time demands | Y | The 2018 ASM Minutes provides for the list of Directors who attended the ASM. 2018 ASM Minutes: Attendance and Item No. 7 Corporate Secretary's Certificate on the Annual Meeting of Stockholders | Minutes of 2018 ASM Certificate on ASM |

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| A.3.10 | Did the chairman of the board of directors/commissioners attend the most recent AGM? | are made. | Y | <p>AXA Philippines' Chairman, Mr. Solomon S. Cua, attended the most recent ASM, as reflected in the minutes, and facilitated the meeting.</p> <p>AXA Philippines 2018 ASM Minutes</p> <p>Corporate Secretary's Certificate on the Annual Meeting of Stockholders</p> | <p>Minutes of 2018 ASM</p> <p>Certificate on ASM</p> |
| A.3.11 | Did the CEO/Managing Director/President attend the most recent AGM? | | Y | <p>AXA Philippines President and CEO, Mr. Rahul Hora, attended the most recent ASM, as reflected in the minutes. He also made the report on the AXA Philippines' performance during year 2017 during the ASM.</p> <p>AXA Philippines 2018 ASM Minutes</p> <p>Corporate Secretary's Certificate on the Annual Meeting of Stockholders</p> | <p>Minutes of 2018 ASM</p> <p>Certificate on ASM</p> |
| A.3.12 | Did the chairman of the Audit Committee attend the most recent AGM? | | Y | <p>The Chairman of AXA Philippines' Board Risk Management, Audit and Compliance Committee, Dr. Jaime Laya, attended the most recent ASM, as reflected in the minutes.</p> <p>AXA Philippines 2018 ASM Minutes</p> <p>Corporate Secretary's Certificate on the Annual Meeting of Stockholders</p> | <p>Minutes of 2018 ASM</p> <p>Certificate on ASM</p> |

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| A.3.13 | Did the company organise their most recent AGM in an easy to reach location? | OECD Principle II (C) | Y | The most recent ASM was conducted in the principal office of AXA Philippines, which is situated in the central business district of Makati City, Philippines. AXA Philippines 2018 ASM Minutes | Minutes of 2018 ASM |
| A.3.14 | Does the company allow for voting in absentia? | OECD Principle II (C): (4) Shareholders should be able to vote in person or in absentia, and equal effect should be given to votes whether cast in person or in absentia. | Y | Default Item in IC Circular No. 2015-23 dated 08 May 2015 AXA Philippines Amended By-Laws provides the manner of voting which includes voting by proxy. AXA Philippines Amended By-Laws: Article II, Section 7 AXA Philippines 2018 ASM Minutes | Amended By-Laws Minutes of 2018 ASM |

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| A.3.15 | Did the company vote by poll (as opposed to by show of hands) for all resolutions at the most recent AGM? | OECD Principle II (C) | Y | AXA Philippines 2018 ASM Minutes Minutes of 2018 ASM |
| A.3.16 | Does the company disclose that it has appointed an independent party (scrutineers/inspectors) to count and/or validate the votes at the AGM? | | N | AXA does not require the appointment of an independent party to count or validate the votes at the stockholder's meeting since 45% is owned by AXA ASIA, 28.18% is owned by First Metro Investment Corp., 25.33% is owned by GT Capital Holdings, Inc, and the remaining are owned by Individuals with each owning less than 1.5%. The Corporate Secretary performs such function and records all votes and resolutions passed. |
| A.3.17 | Does the company make publicly available by the next working day the result of the votes taken during the most recent AGM for all resolutions? | OECD Principle II (C): (1) Shareholders should be furnished with sufficient and timely information concerning the date, location and agenda of general meetings, as well as full and timely information regarding the issues to be decided at the meeting | Y | AXA Philippines most recent ASM was held on 25 April 2018 (Wednesday). The copies of the ASM Minutes were uploaded at the company's website on 25 April 2018 (Wednesday) or the next working day. AXA Philippines 2018 ASM Minutes Corporate Secretary's Certificate on the Annual Meeting of Stockholders. 2nd Item No. 4 Certificate on ASM |
| A.3.18 | Do companies provide at least 21 days notice for all resolutions? | | Y | AXA Philippines endeavors to release the notice of ASM at least 21 days from the date of the meeting to encourage its stockholders to attend the ASM personally or through proxy. For 2018, the Notice of ASM was transmitted to each stockholder of record via registered mail and electronic mail on 26 March 2018 and published in the AXA Webpage and in three (3) national newspapers of general circulation on 24 March 2018 or 32 days before the date of the ASM. AXA Philippines Minutes of 2018 ASM: Item 2 Notice of Annual Stockholders Meeting 2018 Notice of 2018 ASM Published Notice of Annual Stockholders Meeting 2018 Published Notice of ASM Corporate Secretary's Certificate on the Annual Meeting of Stockholders. Item No. 2 Certificate on ASM |

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| A.3.19 | Does the company provide the rationale and explanation for each agenda item which require shareholders' approval in the notice of AGM/circulars and/or the accompanying statement? | Y | AXA Philippines provided the rationale and explanation for each agenda item in the Notice of ASM. Notice of Annual Stockholders Meeting 2018 | Notice of 2018 ASM |
| A.4 Markets for corporate control should be allowed to function in an efficient and transparent manner. | | | | |
| A.4.1 | In cases of mergers, acquisitions and/or takeovers, does the board of directors/commissioners of the offeree company appoint an independent party to evaluate the fairness of the transaction price? | Y | OECD Principle II (E): Markets for corporate control should be allowed to function in an efficient and transparent manner. (1) The rules and procedures governing the acquisition of corporate control in the capital markets, and extraordinary transactions such as mergers, and sales of substantial portions of corporate assets, should be clearly articulated and disclosed so that investors understand their rights and recourse. Transactions should occur at transparent prices and under fair conditions that protect the rights of all shareholders according to their class. In the recent acquisition of Charter Ping An Insurance Corporation by AXA Philippines in 2016, the latter engaged independent third party firms and consultants to provide a fair evaluation and review of the transaction. 2017 Corporate Governance Report: Policy on Mergers, Acquisition, or Takeovers | 2018 Corporate Governance Report |
| A.5 The exercise of ownership rights by all shareholders, including institutional investors, should be facilitated. | | | | |
| A.5.1 | Does the company publicly disclose policies to encourage shareholders including institutional shareholders to attend the general meetings or engagement with the Company? | Y | Aside from holding the ASM in an easy-to-access location (AXA Philippines head office at Makati City), AXA Philippines also sends the notice and agenda of the ASM at least 21 days before the ASM to encourage participation. Moreover, stockholders pack containing all materials for the ASM are distributed to each stockholders at least one week before the ASM. Corporate Secretary's Certificate on the Annual Meeting of Stockholders. Item No. 2 AXA Philippines Amended By-Laws: Article II, Section 3 | Certificate on ASM Amended By-Laws |