

**ANNUAL CORPORATE GOVERNANCE REPORT OF  
AIG PHILIPPINES INSURANCE INC.**

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**(Name of Company)**

1. For the fiscal year ended :2020
2. Certificate Authority Number : 0000018389
3. Makati  
Province, Country or other jurisdiction of incorporation or organization
4. 30<sup>th</sup> Floor Philam Tower Paseo de Roxas, Makati City 1226  
Address of principal office Postal Code
5. 632 8 815-3000  
Company's telephone number, including area code
6. www.aig.com.ph  
Company's official website
7. NA  
Former name, former address, and former fiscal year, if changed since last report.

ANNUAL CORPORATE GOVERNANCE REPORT		EXPLANATION
COMPLIANT/ NON- COMPLIANT	ADDITIONAL INFORMATION	
<p><b>The Board's Governance Responsibilities</b></p> <p><b>Principle 1:</b> The company should be headed by a competent, working board to foster the long- term success of the corporation, and to sustain its competitiveness and profitability in a manner consistent with its corporate objectives and the long- term best interests of its shareholders and other stakeholders.</p>		
<b>Recommendation 1.1</b>		
Compliant	<p>Board is composed of directors with collective working knowledge, experience or expertise that is relevant to the company's industry/sector.</p> <p>Board has an appropriate mix of competence and expertise.</p> <p>Directors remain qualified for their positions individually and collectively to enable them to fulfill their roles and responsibilities and respond to the needs of the organization.</p>	<p>Please refer to the Profile of the Board of Directors at <a href="http://www.aig.com.ph">www.aig.com.ph</a></p> <p>Please refer to the Profile of the Board of Directors at <a href="http://www.aig.com.ph">www.aig.com.ph</a></p> <p>Please refer to the Profile of the Board of Directors at <a href="http://www.aig.com.ph">www.aig.com.ph</a></p>
Compliant	1. Academic qualifications, industry knowledge, professional experience, expertise and relevant trainings of directors	Please refer to the Profile of the Board of Directors at <a href="http://www.aig.com.ph">www.aig.com.ph</a>
Compliant	2. Qualification standards for directors to facilitate the selection of potential nominees and to serve as benchmark for the evaluation of its performance	Please refer to the Profile of the Board of Directors at <a href="http://www.aig.com.ph">www.aig.com.ph</a>
<b>Recommendation 1.2</b>		
Non-compliant	Board is composed of a majority of non-executive directors.	The qualification of the existing Board of Directors, which is a mix of executive and independents, adequately satisfies the requirement of the Company, given the size of its portfolio and business objectives.
<b>Recommendation 1.3</b>		
Non-Compliant	Company provides in its Board Charter and Manual on Corporate Governance a policy on training of directors.	The Company adopts the Corporate Governance Principles issued by the Insurance Commission in lieu of a manual. Board charter will be adopted in 2021.

			The Company will implement a Board charter that stipulates trainings for the directors and other relevant stakeholders.
2. Company has an orientation program for first time directors.	Compliant	Provide information or link/reference to a document containing information on the orientation program and trainings of directors for the previous year, including the number of hours attended and topics covered.	The Company provides an onboarding orientation program for its incoming directors.
3. Company has relevant annual continuing training for all directors.	Non-Compliant		The Company will implement an annual training for its directors in 2021.
<b>Recommendation 1.4</b>			
1. Board has a policy on board diversity.	Compliant	Provide information on or link/reference to a document containing information on the company's board diversity policy.  Indicate gender composition of the board.	The Board of Directors is composed of 3 Independent Directors and 2 Executive Directors, one of whom is a female.  The presence of a female director in the Company Board of Directors evidences that it embraces and supports board diversity. Please see Profile of the directors in <a href="http://www.aig.com.ph">www.aig.com.ph</a>
<b>Recommendation 1.5</b>			
1. Board is assisted by a Corporate Secretary.	Compliant	Provide information on or link/reference to a document containing information on the Corporate Secretary, including his/her name, qualifications, duties and functions.	Please refer to the General Information Sheet at <a href="http://www.aig.com.ph">www.aig.com.ph</a>
2. Corporate Secretary is a separate individual from the Compliance Officer.	Compliant		Please refer to the General Information Sheet at <a href="http://www.aig.com.ph">www.aig.com.ph</a>
3. Corporate Secretary is not a member of the Board of Directors.	Compliant		Please refer to the General Information Sheet at <a href="http://www.aig.com.ph">www.aig.com.ph</a>
4. Corporate Secretary attends training/s on corporate governance.	Non-Compliant	Provide information or link/reference to a document containing	The current pandemic has prevented the relevant stakeholders from attending the

			information on the corporate governance training attended, including number of hours and topics covered	trainings on corporate governance but will endeavor to attend a training this 2021.
<b>Recommendation 1.6</b>				
1. Board is assisted by a Compliance Officer.	Compliant		Provide information on or link/reference to a document containing information on the Compliance Officer, including his/her name, position, qualifications, duties and functions.	Please refer to the General Information Sheet at <a href="http://www.gig.com.ph">www.gig.com.ph</a>
2. Compliance Officer has a rank of Senior Vice President or an equivalent position with adequate stature and authority in the corporation.	Compliant			Compliance Officer is imbued with authority and discretion to ensure that she can properly perform her responsibilities.
3. Compliance Officer is not a member of the board.	Compliant			Please refer to the General Information Sheet <a href="http://www.gig.com.ph">www.gig.com.ph</a>
4. Compliance Officer attends training/s on corporate governance.	Non-Compliant		Provide information on or link/reference to a document containing information on the corporate governance training attended, including number of hours and topics covered	The current pandemic has prevented the relevant stakeholders from attending the trainings on corporate governance but will endeavor to attend a training in 2021, when circumstances permit.
<b>Principle 2: The fiduciary roles, responsibilities and accountabilities of the Board as provided under the law, the company's articles and by-laws, and other legal pronouncements and guidelines should be clearly made known to all directors as well as to stockholders and other stakeholders.</b>				
<b>Recommendation 2.1</b>				
1. Directors act on a fully informed basis, in good faith, with due diligence and care, and in the best interest of the company.	Compliant		Provide information or reference to a document containing information on how the directors performed their duties (can include board resolutions, minutes of meeting)	The Board is adequately provided with all relevant and pertinent information on the Company, specifically during the Board meetings.
<b>Recommendation 2.2</b>				
1. Board oversees the development, review and approval of the company's business objectives and strategy.	Compliant		Provide information or link/reference to a document containing information on how the directors	The Board is adequately provided with all relevant and pertinent information on the

<p>2. Board oversees and monitors the implementation of the company's business objectives and strategy.</p>	<p>Compliant</p>	<p>performed this function (can include board resolutions, minutes of meeting)  Indicate frequency of review of business objectives and strategy</p>	<p>Company, specifically during the Board meetings. The Board is adequately provided with all relevant and pertinent information on the Company during the Board meetings that aids it in formulating the objectives and strategies of the Company.</p>
<p>1. Board is headed by a competent and qualified Chairperson.</p>	<p>Compliant</p>	<p>Provide information or reference to a document containing information on the Chairperson, including his/her name and qualifications</p>	<p>Please refer to the Profile of Ambassador Roberto Romulo at <a href="http://www.aig.com.ph">www.aig.com.ph</a></p>
<p><b>Recommendation 2.4</b></p>			
<p>1. Board ensures and adopts an effective succession planning program for directors, key officers and management.</p>	<p>Compliant</p>	<p>Disclose and provide information or link/reference to a document containing information on the company's succession planning policies and programs and its implementation</p>	<p>AIG as an organization has a very stringent policy and mechanism on succession planning, specifically for the directors and key officers. The successors to key positions are identified based on key considerations and passes through different approval levels within the organization to ensure that the appropriate successors are imbued with the right competency.  See response to 2.4 (1).  In addition, the Company has a Retirement Plan in place.</p>
<p>2. Board adopts a policy on the retirement for directors and key officers.</p>	<p>Compliant</p>	<p>Provide information on or link/reference to a document containing information on the company's remuneration policy and</p>	<p>The Company adopts a rigorous compensation methodology implemented by its parent entity, specifically to its key officers and directors,</p>
<p><b>Recommendation 2.5</b></p>			
<p>1. Board aligns the remuneration of key officers and board members with long-term interests of the company.</p>	<p>Compliant</p>	<p>Provide information on or link/reference to a document containing information on the company's remuneration policy and</p>	<p>The Company adopts a rigorous compensation methodology implemented by its parent entity, specifically to its key officers and directors,</p>

		its implementation, including the relationship between remuneration and performance.	to ensure talent retention and competitive benefits for its stakeholders. The Company adopts a rigorous compensation methodology implemented by its parent entity, specifically to its key officers and directors. As far as the deliberation on the compensation of the directors is concerned, the directors of the Company do not participate in that discussion. The Company adopts a rigorous compensation methodology implemented by its parent entity. As far as the deliberation on the compensation of the directors is concerned, the directors of the Company do not participate in that discussion.
2. Board adopts a policy specifying the relationship between remuneration and performance.	Compliant		
3. Directors do not participate in discussions or deliberations involving his/her own remuneration.	Compliant		
<b>Recommendation 2.6</b>			
1. Board has a formal and transparent board nomination and election policy.	Compliant	Provide information or reference to a document containing information on the company's nomination and election policy and process and its implementation, including the criteria used in selecting new directors, how the shortlisted candidates and how it encourages nominations from shareholders.	Please refer to the Nominating Committee Charter at <a href="http://www.aig.com.ph">www.aig.com.ph</a>
2. Board nomination and election policy is disclosed in the company's Manual on Corporate Governance.	Compliant	Provide proof if minority shareholders have a right to nominate candidates to the board	Please refer to the Nominating Committee Charter at <a href="http://www.aig.com.ph">www.aig.com.ph</a> .  The Company adopts the Corporate Governance principles and standards issued by the Insurance Commission in lieu of a Corporate Governance Manual.
3. Board nomination and election policy includes how the company accepted nominations from minority shareholders.	Compliant		The Company has only 6 shareholders and it has no restriction in accepting nomination from minority shareholders.

<p>4. Board nomination and election policy includes how the board shortlists candidates.</p>	Compliant	<p>Provide information if there was an assessment of the effectiveness of the Board's processes in the nomination, election or replacement of a director.</p>	<p>The Company adopts the rigorous process of AIG in identifying and shortlisting candidates for a board position. This includes but is not limited to appropriate background checks to ensure competency of the candidate and several layers of approvals required within the organization. See response to 2.4 (1) and 2.6 (4)</p>
<p>5. Board nomination and election policy includes an assessment of the effectiveness of the Board's processes in the nomination, election or replacement of a director.</p>	Compliant		
<p>6. Board has a process for identifying the quality of directors that is aligned with the strategic direction of the company.</p>	Compliant		See response to 2.6 (4)
<b>Recommendation 2.7</b>			
<p>1. Board has overall responsibility in ensuring that there is a group-wide policy and system governing related party transactions (RPTs) and other unusual or infrequently occurring transactions.</p>	Compliant	<p>Provide information on or reference to a document containing the company's policy on related party transaction, including policy on review and approval of significant RPTs</p>	Please refer to the RPT Policy at <a href="http://www.aig.com.ph">www.aig.com.ph</a>
<p>2. RPT policy includes appropriate review and approval of material RPTs, which guarantee fairness and transparency of the transactions.</p>	Compliant	<p>Identify transactions that were approved pursuant to the policy.</p>	Please refer to the RPT Policy at <a href="http://www.aig.com.ph">www.aig.com.ph</a>
<p>3. RPT policy encompasses all entities within the group, taking into account their size, structure, risk profile and complexity of operations.</p>	Compliant		Please refer to the RPT Policy at <a href="http://www.aig.com.ph">www.aig.com.ph</a>
<b>Recommendation 2.8</b>			

<p>1. Board is primarily responsible for approving the selection of Management led by the Chief Executive Officer (CEO) and the heads of the other control functions (Chief Risk Officer, Chief Compliance Officer and Chief Audit Executive).</p>	<p>Compliant</p>	<p>Provide information on or reference to a document containing the Board's policy and responsibility for approving the selection of management.</p> <p>Identify the Management team appointed</p>	<p>Please refer to the Nominating Committee Policy.</p> <p>The following appointments have been approved by the Board of Directors:</p> <ol style="list-style-type: none"> <li>1. Gary Wong - President and CEO</li> <li>2. Michelle Comia-Marasigan - Compliance and Risk Officer</li> <li>3. PWC- External Auditor</li> </ol>
<p>2. Board is primarily responsible for assessing the performance of Management led by the Chief Executive Officer (CEO) and the heads of the other control functions (Chief Risk Officer, Chief Compliance Officer and Chief Audit Executive).</p>	<p>Compliant</p>	<p>Provide information on or reference to a document containing the Board's policy and responsibility for assessing the performance of management.</p> <p>Provide information on the assessment process and indicate frequency of assessment of performance.</p>	<p>The CEO and heads of the control functions report either to the Committees or to the Board and as such, the Board is afforded with the rightful opportunities to assess the performance of these functions, and to make the necessary recommendations, as it deems fit.</p>
<p><b>Recommendation 2.7</b></p>			
<p>1. Board establishes an effective performance management framework that ensures that Management, including the Chief Executive Officer performance is at par with the standards set by the Board and Senior Management.</p>	<p>Compliant</p>	<p>Provide information on or link/reference to a document containing the Board's performance management framework for management and personnel.</p>	<p>The CEO and heads of the control functions report either to the Committees or to the Board and as such, the Board is afforded with the rightful opportunities to assess the performance of these functions, and to make the necessary recommendations, as it deems fit.</p>
<p>2. Board establishes an effective performance management framework that ensures that personnel's performance is at par with the standards set by the Board and Senior Management.</p>	<p>Compliant</p>		<p>The Board of Directors are provided with updates on the business strategies implemented, thus, are able to monitor the performance and efficiency not only of the CEO and key members of the</p>



				Management but of the key personnel as well.
<b>Recommendation 2.10</b>				
1. Board oversees that an appropriate internal control system is in place.	Compliant	Provide information on or link/reference to a document showing the Board's responsibility for overseeing that an appropriate internal control system is in place and what is included in the internal control system	Apart from a Compliance and Risk Officer, the Company has an internal audit team that conducts periodic monitoring and testing, specifically on the internal controls that are in place.	See response to 2.10 (1). The monitoring and testing conducted by the Compliance Officer includes matters on conflict of interest.
2. The internal control system includes a mechanism for monitoring and managing potential conflict of interest of the Management, members and shareholders.	Compliant.			The Board approves all Committee Charters, including Audit Committee.
3. Board approves the Internal Audit Charter.	Compliant	Provide reference or link to the company's Internal Audit Charter		
<b>Recommendation 2.11</b>				
1. Board oversees that the company has in place a sound enterprise risk management (ERM) framework to effectively identify, monitor, assess and manage key business risks.	Compliant	Provide information on or link/reference to a document showing the Board's oversight responsibility on the establishment of a sound enterprise risk management framework and how the board was guided by the framework.	The Company has a Risk Officer who reports to the Risk Oversight Board level Committee. The Chairman of the ROC then reports all matters taken up in the ROC to the Board.	The Risk Officer has a log of the top 10 operational risks of the Company for which the Board is provided with a periodic update.
2. The risk management framework guides the board in identifying units/business lines and enterprise-level risk exposures, as well as the effectiveness of risk management strategies.	Compliant	Provide proof of effectiveness of risk management strategies, if any.		
<b>Recommendation 2.12</b>				
1. Board has a Board Charter that formalizes and clearly states its roles, responsibilities and accountabilities in carrying out its fiduciary duties.	Non-Compliant	Provide link to the company's website where the Board Charter is disclosed.	Apart from the Corporation Code of the Philippines, the Board adopts the existing rules and regulations, particularly the circulars issued by the Insurance Commission on Corporate Governance.	

2. Board Charter serves as a guide to the directors in the performance of their functions.	Non-Compliant	The board adopts the existing rules and regulations , particularly the circulars issued by the Insurance Commission on Corporate Governance.
3. Board Charter is publicly available and posted on the company's website.	Non-Compliant	The Board adopts the existing rules and regulations , particularly the circulars issued by the Insurance Commission on Corporate Governance.
<b>Principle 3:</b> Board committees should be set up to the extent possible to support the effective performance of the Board's functions; particularly with respect to audit, risk management, related party transactions, and other key corporate governance concerns, such as nomination and remuneration. The composition, functions and responsibilities of all committees established should be contained in a publicly available Committee Charter.		
<b>Recommendation 3.1</b>		
1. Board establishes board committees that focus on specific board functions to aid in the optimal performance of its roles and responsibilities.	Compliant	Provide information or link/reference to a document containing information on all the board committees established by the company.  Company has the following Committees: Audit, Risk, RPT, Remuneration and Compensation, Nominating. See reference at <a href="http://www.aig.com.ph">www.aig.com.ph</a>
<b>Recommendation 3.2</b>		
1. Board establishes an Audit Committee to enhance its oversight capability over the company's financial reporting, internal control system, internal and external audit processes, and compliance with applicable laws and regulations.	Compliant	Provide information or link/reference to a document containing information on the Audit Committee, including its functions.  Indicate if it is the Audit Committee's responsibility to recommend the appointment and removal of the company's external auditor.  See the Audit Committee Charter at <a href="http://www.aig.com.ph">www.aig.com.ph</a> .
2. Audit Committee is composed of at least three appropriately qualified non-executive directors, the majority of whom, including the Chairman is independent.	Non-Compliant	Provide information or link/reference to a document containing information on the members of the Audit Committee, including their  The Audit Committee is composed of 2 independent directors and 1 executive directors. In addition, the external and internal auditors together with the Risk and

			<p>qualifications and type of directorship.</p>	<p>Compliance Officer are permanent invitees to the meetings and provide reports and updates pertinent to the committee. The qualifications of the current members of the Audit Committee, together with the permanent invitees, adequately fulfill the requirement of the Company and purpose of the Audit Committee.</p>
<p>3. All the members of the committee have relevant background, knowledge, skills, and/or experience in the areas of accounting, auditing and finance.</p>	<p>Compliant</p>	<p>Provide information or link/reference to a document containing information on the background, knowledge, skills, and/or experience of the members of the Audit Committee.</p>	<p>The Audit Committee is composed of 2 independent directors and 1 executive directors. In addition, the external and internal auditors together with the Risk and Compliance Officer are permanent invitees to the meetings and provide reports and updates pertinent to the committee. The qualifications of the current members of the Audit Committee, together with the permanent invitees, adequately fulfill the requirement of the Company and purpose of the Audit Committee.</p>	
<p>4. The Chairman of the Audit Committee is not the Chairman of the Board or of any other committee.</p>	<p>Non-Compliant</p>	<p>Provide information or link/reference to a document containing information on the Chairman of the Audit Committee</p>	<p>Given that the Company has only 3 Independent Directors and has 5 Committees that mostly require the Chairman to be an independent director, it is inevitable that an independent director acts as the Chairperson for more than 1 committee.</p>	
<b>Recommendation 3</b>				
<p>1. Board establishes a Corporate Governance Committee tasked to assist the Board in the performance of its</p>	<p>Non-Compliant</p>	<p>Provide information or reference to a document containing information on</p>	<p>The Company has a Nominating Committee that substantially performs the function of the Corporate Governance</p>	

<p>corporate governance responsibilities, including the functions that were formerly assigned to a Nomination and Remuneration Committee.</p>		<p>the Corporate Governance Committee, including its functions</p> <p>Indicate if the Committee undertook the process of identifying the quality of directors aligned with the company's strategic direction, if applicable.</p>	<p>Committee under IC CL 2020-71. The Company will expound the responsibilities of the current Nominating Committee to make it as the Nominating and Corporate Governance Committee to align with the requirements under IC CL 202-71.</p> <p>In addition, given the number of directors of the Company, it has 2 independent directors which is compliant on the existing IC circular that requires 20% of independent directors in the board.</p> <p>See response under 3.3 (1).</p> <p>In addition, given the number of directors of the Company, it has 2 independent directors which is compliant on the existing IC circular that requires 20% of independent directors in the board.</p> <p>See response under 3.3 (1). The Chairman of the Nominating Committee is an Independent Director.</p>
<p>2. Corporate Governance Committee is composed of at least three members, all of whom should be independent directors.</p>	<p>Non-Compliant</p>	<p>Provide information or link/reference to a document containing information on the members of the Corporate Governance Committee, including their qualifications and type of directorship.</p>	<p>See response under 3.3 (1).</p>
<p>3. Chairman of the Corporate Governance Committee is an independent director.</p>	<p>Non-Compliant</p>	<p>Provide information or link/reference to a document containing information on the Chairman of the Corporate Governance Committee.</p>	<p>See response under 3.3 (1). The Chairman of the Nominating Committee is an Independent Director.</p>
<b>Recommendation 3.4</b>			
<p>1. Board establishes a separate Board Risk Oversight Committee (BROC) that should be responsible for the oversight of a company's Enterprise Risk Management system to ensure its functionality and effectiveness.</p>	<p>Compliant</p>	<p>Provide information or link/reference to a document containing information on the Board Risk Oversight Committee (BROC), including its functions</p>	<p>See Company Committees at <a href="http://www.gig.com.ph">www.gig.com.ph</a></p>
<p>2. BROC is composed of at least three members, the majority of whom should be</p>	<p>Compliant</p>	<p>Provide information or link/reference to a document containing information on the members of the</p>	<p>BROC is composed of 4 members with 3 independent directors, including the Chairman</p>

independent directors, including the Chairman.	BROC, including their qualifications and type of directorship		
3. The Chairman of the BROC is not the Chairman of the Board or of any other committee.	Provide information or link/reference to a document containing information on the Chairman of the BROC	Non-Compliant	Given that the Company has only 3 Independent Directors and has 5 Committees that mostly require the Chairman to be an independent director, it is inevitable that an independent director acts as the Chairperson for more than 1 committee.  In addition, given the number of directors of the Company, it has 2 independent directors which is compliant on the existing IC circular that requires 20% of independent directors in the board.
4. At least one member of the BROC has relevant thorough knowledge and experience on risk and risk management.	Provide information or link/reference to a document containing information on the background, skills, and/or experience of the members of the BROC.	Compliant	The members of the BROC are seasoned executives and has extensive knowledge and experience on risk and risk management. Please see profile of the Board of Directors at <a href="http://www.aig.com.ph">www.aig.com.ph</a> .
<b>Recommendation 3.5</b>			
1. Board establishes a Related Party Transactions (RPT) Committee, which is tasked with reviewing all material related party transactions of the company.	Provide information or link/reference to a document containing information on the Related Party Transactions (RPT) Committee, including its functions.	Compliant	Please see RPT Policy at <a href="http://www.aig.com.ph">www.aig.com.ph</a>
2. RPT Committee is composed of at least three non-executive directors, two of whom should be independent, including the Chairman.	Provide information or link/reference to a document containing information on the members of the RPT Committee, including their	Non-Compliant	The RPT is composed of 3 members, all of whom are independent directors, including the Chairperson. Thus, the independence of the RPT is established.

		qualifications and type of directorship.	Please see members and qualifications of the RPT Committee at <a href="http://www.aig.com.ph">www.aig.com.ph</a> .
<b>Recommendation 3.6</b>			
1. All established committees have a Committee Charter stating in plain terms their respective purposes, memberships, structures, operations, reporting process, resources and other relevant information.	Compliant	Provide information on or link/reference to the company's committee charters, containing all the required information, particularly the functions of the Committee that is necessary for performance evaluation purposes.	Please see charters of the Committees at <a href="http://www.aig.com.ph">www.aig.com.ph</a> . For RPT, the RPT Policy serves the purpose of the Charter. Please see attached RPT policy.
2. Committee Charters provide standards for evaluating the performance of the Committees.	Non-Compliant		While the charters do not specifically mention the standard for evaluating the performance of the committees, the performance is evaluated through the outputs and contributions it provides, specifically on the mandates that the committees are to perform per its Charter.
3. Committee Charters were fully disclosed on the company's website.	Compliant	Provide link to company's website where the Committee Charters are disclosed.	Please see committee charters at <a href="http://www.aig.com.ph">www.aig.com.ph</a> .
<b>Principle 4: To show full commitment to the company, the directors should devote the time and attention necessary to properly and effectively perform their duties and responsibilities, including sufficient time to be familiar with the corporation's business.</b>			
<b>Recommendation 4.1</b>			
1. The Directors attend and actively participate in all meetings of the Board, Committees and shareholders in person or through tele-/videoconferencing conducted in accordance with the rules and regulations of the Commission.	Compliant	Provide information or link/reference to a document containing information on the process and procedure for tele-/videoconferencing board and/or committee meetings.	See attached Certification from the Company's Corporate Secretary. The Directors actively participate in the meetings and articulate their thoughts and seek clarifications or ask questions during the Board or Committee meetings.

			Provide information or link/reference to a document containing information on the attendance and participation of directors to Board, Committee and shareholders' meetings.	
2. The directors review meeting materials for all Board and Committee meetings.	Compliant			The Board of Directors are being provided with the materials prior to the Board and Committee hearings.
3. The directors ask the necessary questions or seek clarifications and explanations during the Board and Committee meetings.	Compliant		Provide information or link/reference to a document containing information on any questions raised or clarification/explanation sought by the directors	The Board of Directors actively participate during the board and committee meetings by asking relevant questions and providing the necessary inputs that provide essential guidelines and guidance to achieve the Company's strategies and business objectives.
<b>Recommendation 4.2</b>				
1. Non-executive directors concurrently serve as directors to a maximum of five insurance Commission Regulated Entities (ICREs) and publicly-listed companies to ensure that they have sufficient time to fully prepare for meetings, challenge Management's proposals/views, and oversee the long-term strategy of the company.	Compliant		Disclose if the company has a policy setting the limit of board seats that a non-executive director can hold simultaneously.  Provide information or reference to a document containing information on the directorships of the company's directors in both listed and non-listed companies	The Company's Board is composed of executive and independent directors. Their Board membership to the board of other entities does not breach the guidelines set forth by the Insurance Commission to ensure they have sufficient time to focus on the affairs of the Company.
<b>Recommendation 4.3</b>				
1. The directors notify the company's board where he/she is an incumbent director	Compliant		Provide copy of written notification to the board or minutes of board	See profiles of the Directors at <a href="http://www.aig.com.ph">www.aig.com.ph</a> .

before accepting a directorship in another company.		meeting wherein the matter was discussed.	
<b>Principle 5:</b> the board should endeavor to exercise an objective and independent judgment on all corporate affairs			
<b>Recommendation 5.1</b>			
1. The Board is composed of at least twenty percent (20%) independent directors.	Compliant	Provide information or link/reference to a document containing information on the number of independent directors in the board	See General Information Sheet at <a href="http://www.aig.com.ph">www.aig.com.ph</a> .
<b>Recommendation 5.2</b>			
1. The independent directors possess all the qualifications and none of the disqualifications to hold the position.	Compliant	Provide information or link/reference to a document containing information on the qualifications of the independent directors.	See Profiles of the Board of Directors at <a href="http://www.aig.com.ph">www.aig.com.ph</a> .
<b>Recommendation 5.3</b>			
1. The independent directors serve for a maximum cumulative term of nine years.  As far as Insurance Companies are concerned, the foregoing term limit shall be reckoned from 02 January 2015 while the reckoning date for the Pre-Need Companies and Health Maintenance Organizations shall be from 21 September 2016.  For other covered entities, all previous terms served by existing Independent Directors prior to the effectivity of this Circular shall not be included in the application of the term limit prescribed in this item.	Compliant	Provide information or link/reference to a document showing the years IDs have served as such.	Reckoning from January 2, 2015 per the IC Circular, all the Independent Directors of the Company have not exceeded the 9 - year term limit but the Company has a succession plan in place which will become operative once the current independent directors have reached their maximum term of office.



2. The company bars an independent director from serving in such capacity after the term limit of nine years.	Compliant	Provide information or link/reference to a document containing information on the company's policy on term limits for its independent director	See response under 5.3 (1). The Company adopts and complies with the circulars issued by the Insurance Commission, including the term limit of the Independent Directors.
3. In the instance that the company retains an independent director in the same capacity after nine years, the board submits to the Insurance Commission a formal written justification and seeks shareholders' approval during the annual shareholders' meeting.	Compliant	Provide proof on submission of a formal written justification to the Insurance Commission and proof of shareholders' approval during the annual shareholders' meeting.	See response under 5.3 (1). The Company has not retained any independent Directors beyond the 9-year term limit.
<b>Recommendation 5.4</b>			
1. The positions of Chairman of the Board and Chief Executive Officer are held by separate individuals.	Compliant	Identify the company's Chairman of the Board and Chief Executive Officer	Chairman of the Board : Ambassador Roberto R. Romulo  President and CEO : Gary Wong
2. The Chairman of the Board and Chief Executive Officer have clearly defined responsibilities.	Compliant	Provide information or link/reference to a document containing information on the roles and responsibilities of the Chairman of the Board and Chief Executive Officer.  Identify the relationship of Chairman and CEO.	The President and CEO is tasked to oversee the day to day operations of the Company while the Chairman of the Board oversees the overall strategies of the Company.
<b>Recommendation 5.5</b>			
1. If the Chairman of the Board is not an independent director or where the roles of Chairman and CEO are being held by one person, the Board should designate a	Compliant	Provide information or link/reference to a document containing information on a lead independent director and his roles and responsibilities, if any.	The Chairman of the Board is an Independent Director who is different from the President and CEO.

lead director among the independent directors.		Indicate if Chairman is independent.	Please see General Information Sheet at <a href="http://www.aig.com.ph">www.aig.com.ph</a> .
<b>Recommendation 5.6</b>			
1. Directors with material interest in a transaction affecting the corporation should abstain from taking part in the deliberations for the same.	Compliant	Provide proof of abstention, if this was the case	There has not been any occasion where a discussion on the Board involve a matter where a Director has a material interest.
<b>Recommendation 5.7</b>			
1. The non-executive directors (NEDs) have separate periodic meetings with the external auditor and heads of the internal audit, compliance and risk functions, without any executive directors present to ensure that proper checks and balances are in place within the corporation.	Non-Compliant	Provide proof and details of said meeting, if any.  Provide information on the frequency and attendees of meetings.	The heads of the control functions provide a very open and objective reports during Board and Committee meetings where the Directors freely articulate their concerns and questions. The transparent reporting of the heads of the control functions as well as the open and free discussion during Board and Committee meetings achieve the purpose of the separate meeting between the Independent Directors and heads of the control functions.  See response under 5.7 (1).
2. The meetings are chaired by the lead independent director.	Non-Compliant		
<b>Principle 6: The best measure of the Board's effectiveness is through an assessment process. The Board should regularly carry out evaluations to appraise its performance as a body, and assess whether it possesses the right mix of backgrounds and competencies.</b>			
<b>Recommendation 6.1</b>			
1. Board conducts an annual self-assessment of its performance as a whole.	Non-Compliant	Provide proof of self-assessments conducted for the whole board, the individual members, the Chairman and the Committees	The efficiency of the Board Members is measured and manifested in the contributions of the Board in achieving the over all strategic plans of the Company. The efficiency of the Board Members, including the Chairman, is measured and
2. The performance of the Chairman is assessed annually by the Board.	Non-Compliant		

			manifested in the contributions of the Board in achieving the over all strategic plans of the Company.
3. The performance of the individual member of the Board is assessed annually by the Board.	Non-Compliant		The efficiency of the Board Members is measured and manifested in the contributions of the Board in achieving the over all strategic plans of the Company.
4. The performance of each committee is assessed annually by the Board.	Non-Compliant		The efficiency of the Board Members, including its Committees, is measured and manifested in the contributions of the Board in achieving the over all strategic plans of the Company.
5. Every three years, the assessments are supported by an external facilitator.	Non-Compliant	Identify the external facilitator and provide proof of use of an external facilitator.	The efficiency of the Board Members, including its Committees, is measured and manifested in the contributions of the Board in achieving the over all strategic plans of the Company.
<b>Recommendation 6.2</b>			
1. Board has in place a system that provides, at the minimum, criteria and process to determine the performance of the Board, individual directors and committees.	Compliant	Provide information or link/reference to a document containing information on the system of the company to evaluate the performance of the board, individual directors and committees, including a feedback mechanism from shareholders	The efficiency of the Board Members, including its Committees, is measured and manifested in the contributions of the Board in achieving the over all strategic plans of the Company.
2. The system allows for a feedback mechanism from the shareholders.	Compliant		The shareholders provide feedback prior to the re-election of the Directors on an annual basis. The contribution and performance of each directors are being evaluated prior to re-election.
<b>Principle 7: Members of the Board are duty-bound to apply high ethical standards, taking into account the interests of all stakeholders.</b>			
<b>Recommendation 7.1</b>			
1. Board adopts a Code of Business Conduct and Ethics, which provide standards for professional and ethical behavior, as well	Compliant	Provide information on or link/reference to the company's	The Company adopts the policy from its parent entity on business ethics which also governs the internal and external dealings

as articulate acceptable and unacceptable conduct and practices in internal and external dealings of the company.		Code of Business Conduct and Ethics.	of the directors. In addition, the Company also complies with the circulars issued by the Insurance Commission on Corporate Governance.
2. The Code is properly disseminated to the Board, senior management and employees.	Compliant	Provide information on or discuss how the company disseminated the Code to its Board, senior management and employees.	The Company has access to the policies implemented across AIG entities, which includes policies on business conduct and ethics.
3. The Code is disclosed and made available to the public through the company website.	Non-Compliant	Provide a link to the company's website where the Code of Business Conduct and Ethics is posted/disclosed.	The Company policies are considered confidential and proprietary, thus, are not available in the company website.
<b>Recommendation 7.2</b>			
1. Board ensures the proper and efficient implementation and monitoring of compliance with the Code of Business Conduct and Ethics.	Compliant	Provide proof of implementation and monitoring of compliance with the Code of Business Conduct and Ethics and internal policies.	Every board meeting, the Board of Directors are required to make a disclosure on business interests, particularly on any conflict they have.
2. Board ensures the proper and efficient implementation and monitoring of compliance with company internal policies.	Compliant	Indicate who are required to comply with the Code of Business Conduct and Ethics and any findings on non-compliance.	The Internal Audit team reports to the Audit Committee on a quarterly basis, and the Audit Committee in turn reports it back to the Board of Directors.
<b>Disclosure and Transparency</b>			
<b>Principle 8:</b> The company should establish corporate disclosure policies and procedures that are practical and in accordance with best practices and regulatory expectations.			
<b>Recommendation 8.1</b>			
1. Board establishes corporate disclosure policies and procedures to ensure a comprehensive, accurate, reliable and timely report to shareholders and other stakeholders that gives a fair and complete picture of a company's financial condition, results and business operations.	Compliant	Provide information on or link/reference to the company's disclosure policies and procedures including reports distributed/made available to shareholders and other stockholders	Each function in the Company ( compliance, finance, legal, risk etc.) are being monitored at the regional and global level, thus, the shareholders are adequately informed on the company's business results and financial conditions, among others.
<b>Recommendation 8.3</b>			

<p>1. Board fully discloses all relevant and material information on individual board members to evaluate their experience and qualifications, and assess any potential conflicts of interest that might affect their judgment.</p>	<p>Compliant</p>	<p>Provide link or reference to the directors' academic qualifications, share ownership in the company, membership in other boards, other executive positions, professional experiences, expertise and relevant trainings attended.</p>	<p>Every board meeting, the Board of Directors are required to make a disclosure on business interests, particularly on any conflict they have. In addition, please refer to the profile of the Directors in <a href="http://www.aig.com.ph">www.aig.com.ph</a>.</p>
<p>2. Board fully discloses all relevant and material information on key executives to evaluate their experience and qualifications, and assess any potential conflicts of interest that might affect their judgment.</p>	<p>Compliant</p>	<p>Provide link or reference to the key officers' academic qualifications, share ownership in the company, membership in other boards, other executive positions, professional experiences, expertise and relevant trainings attended.</p>	<p>Every board meeting, the Board of Directors are required to make a disclosure on business interests, particularly on any conflict they have. In addition, please refer to the profile of the Directors at <a href="http://www.aig.com.ph">www.aig.com.ph</a>.</p>
<b>Recommendation 6.4</b>			
<p>1. Company provides a clear disclosure of its policies and procedure for setting Board remuneration, including the level and mix of the same in the Annual Corporate Governance Report consistent with ASEAN Corporate Governance Scorecard (ACGS) and the Revised Corporation Code.</p>	<p>Non-Compliant</p>	<p>Disclose or provide link/reference to the company policy and practice for setting board remuneration</p>	<p>The Company adopts the principles and policies of the Insurance Commission on board remuneration.</p>
<p>2. Company provides a clear disclosure of its policies and procedure for setting Executive remuneration, including the level and mix of the same in the Annual Corporate Governance Report consistent with ASEAN Corporate Governance Scorecard (ACGS) and the Revised Corporation Code.</p>	<p>Non-Compliant</p>	<p>Disclose or provide link/reference to the company policy and practice for determining executive remuneration</p>	<p>AIG has policies and mechanisms in place in regard to the remuneration of its executives and employees.</p>

<p>3. Company discloses the remuneration on an individual basis, including termination and retirement provisions.</p>	<p>Compliant</p>	<p>Provide breakdown of director remuneration and executive compensation, particularly the remuneration of the CEO.</p>	<p>AIG has policies and mechanisms in place in regard to the remuneration, termination and retirement of its stakeholders.</p>
<p><b>Recommendation 8.5</b></p>			
<p>1. Company discloses its policies governing Related Party Transactions (RPTs) and other unusual or infrequently occurring transactions.</p>	<p>Compliant</p>	<p>Disclose or provide reference/link to company's RPT policies  Indicate if the director with conflict of interest abstained from the board discussion on that particular transaction.</p>	<p>The Board of Directors are being informed periodically on the RPT transactions of the company and all its details.</p>
<p>2. Company discloses material or significant RPTs in its Annual Company Report or Annual Corporate Governance Report, reviewed and approved by the Board, and submitted for confirmation by majority vote of the stockholders in the annual stockholders' meeting during the year.</p>	<p>Compliant</p>	<p>Provide information on all RPTs for the previous year or reference to a document containing the following information on all RPTs:</p> <ol style="list-style-type: none"> <li>1. Name of the related counterparty;</li> <li>2. Relationship with the party;</li> <li>3. Transaction date;</li> <li>4. Type/nature of transaction;</li> <li>5. Amount or contract price;</li> <li>6. Terms of the transaction;</li> <li>7. Rationale for entering into the transaction;</li> <li>8. The required approval (i.e., names of the board of directors approving, names and percentage of shareholders who approved) based on the company's policy; and</li> <li>9. Other terms and conditions</li> </ol>	<p>The Company discloses its RPT in the Audited FS and is submitted for the approval by the Board.</p>

<b>Recommendation 8.7</b>				
1. Company's corporate governance policies, programs and procedures are contained in its Manual on Corporate Governance (MCG).	Non-Compliant	Provide link to the company's website where the Manual on Corporate Governance is posted.	The Company adopts and adheres to the corporate governance policies and principles issued by the Insurance Commission in lieu of a manual.	
2. Company's MCG is posted on its company website.	Non-Compliant		The Company adopts and adheres to the corporate governance policies and principles issued by the Insurance Commission in lieu of a manual.	
<b>Principle 9:</b> The company should establish standards for the appropriate selection of an external auditor, and exercise effective oversight of the same to strengthen the external auditor's independence and enhance audit quality.				
<b>Recommendation 9.1</b>				
1. Audit Committee has a robust process for approving and recommending the appointment, reappointment, removal, and fees of the external auditors.	Compliant	Provide information or link/reference to a document containing information on the process for approving and recommending the appointment, reappointment, removal and fees of the company's external auditor.	The appointment and re-appointment of the external auditor are scrutinized on an annual basis and is subject to the approval of the Board of Directors.	
2. The appointment, reappointment, removal, and fees of the external auditor is recommended by the Audit Committee, approved by the Board and ratified by the shareholders.	Compliant	Indicate the percentage of shareholders that ratified the appointment, reappointment, removal and fees of the external auditor.	The Audit Committee recommends the appointment/re-appointment of the external auditor on an annual basis.	
3. For removal of the external auditor, the reasons for removal or change are disclosed to the regulators and the public through the company website and required disclosures.	Compliant	Provide information on or link/reference to a document containing the company's reason for removal or change of external auditor.	For the past recent years, there has not been any occasion where the external auditor of the Company has been removed for any reason	

<b>Recommendation 9.2</b>				
1. Audit Committee Charter includes the Audit Committee's responsibility on:	Compliant	Provide link/reference to the company's Audit Committee Charter	See Audit Committee Charter at <a href="http://www.aig.com.ph">www.aig.com.ph</a> .	
<ul style="list-style-type: none"> <li>i. assessing the integrity and independence of external auditors;</li> <li>ii. exercising effective oversight to review and monitor the external auditor's independence and objectivity; and</li> <li>iii. exercising effective oversight to review and monitor the effectiveness of the audit process, taking into consideration relevant Philippine professional and regulatory requirements.</li> </ul>				
2. Audit Committee Charter contains the Committee's responsibility on reviewing and monitoring the external auditor's suitability and effectiveness on an annual basis.	Compliant	Provide link/reference to the company's Audit Committee Charter	See Audit Committee Charter at <a href="http://www.aig.com.ph">www.aig.com.ph</a> .	
<b>Recommendation 9.3</b>				
1. Company discloses the nature of non-audit services performed by its external auditor in the Annual Report to deal with the potential conflict of interest.	Non-Compliant	Disclose the nature of non-audit services performed by the external auditor, if any.	Non-audit services performed by the external auditor is limited to rendering of opinions on an ad hoc basis.	
2. Audit Committee stays alert for any potential conflict of interest situations, given the guidelines or policies on non-audit services, which could be viewed as impairing the external auditor's objectivity.	Compliant	Provide link or reference to guidelines or policies on non-audit services	Audit Committee convenes quarterly and reports all matters taken up to the Board.	



<b>Principle 10:</b> The company should ensure that the material and reportable non-financial and sustainability issues are disclosed.			
<b>Recommendation 10.1</b>			
1. Board has a clear and focused policy on the disclosure of non-financial information, with emphasis on the management of economic, environmental, social and governance (EESG) issues of its business, which underpin sustainability.	Compliant	Disclose or provide link on the company's policies and practices on the disclosure of non-financial information, including EESG issues.	The Board adopts an open policy to discuss on all issue and matters that concern the Company.
2. Company adopts a globally recognized standard/framework in reporting sustainability and non-financial issues.	Compliant	Provide link to Sustainability Report, if any. Disclose the standards used.	The Board adopts an open policy to discuss on all issue and matters that concern the Company.
<b>Principle 11:</b> The company should maintain a comprehensive and cost-efficient communication channel for disseminating relevant information. This channel is crucial for informed decision-making by investors, stakeholders and other interested users.			
<b>Recommendation 11.1</b>			
1. The company should have a website to ensure a comprehensive, cost efficient, transparent, and timely manner of disseminating relevant information to the public.	Compliant	Disclose and identify the communication channels used by the company (i.e., website, Analyst's briefing, Media briefings /press conferences, Quarterly reporting, Current reporting, etc.). Provide links, if any.	See <a href="http://www.aig.com.ph">www.aig.com.ph</a>
<b>Internal Control System and Risk Management Framework</b>			
<b>Principle 12:</b> To ensure the integrity, transparency and proper governance in the conduct of its affairs, the company should have a strong and effective internal control system and enterprise risk management framework.			
<b>Recommendation 12.1</b>			

<p>1. Company has an adequate and effective internal control system in the conduct of its business.</p>	<p>Compliant</p>	<p>List quality service programs for the internal audit functions.  Indicate frequency of review of the internal control system</p>	<p>The Company has an Internal Audit Group (IAG) composed of auditors from Finance &amp; Operation (F&amp;O and) IT.  The F&amp;O audit team possesses professional accountancy qualifications and the head is a Certified Internal Auditor (CIA), whereas the IT audit team possesses qualification of BSc Computing and one of them is a Certified Information System Auditor (CISA).  The audit team reports to the Audit Committee.  IAG adopts the global IAG's audit methodology and is subject to review/QA by the global professional practice team within AIG to ensure quality of work and adherence to the global audit methodology.</p>
<p>2. Company has an adequate and effective enterprise risk management framework in the conduct of its business.</p>	<p>Compliant</p>	<p>Identify international framework used for Enterprise Risk Management  Provide information or reference to a document containing information on:  1. Company's risk management procedures and processes 2. Key risks the company is currently facing 3. How the company manages the key risks</p>	<p>The Company has a Risk and Capital Committee (RCC) which is responsible for managing and overseeing risk.  The RCC supports the Risk Oversight Management Committee, Board of Directors, and Management to determine strategy while balancing profitability, risk and growth. The RCC oversees the implementation of the Company's risk framework and drives the maturity of related risk policies, standards, frameworks, and capabilities.</p>

		Indicate frequency of review of the enterprise risk management framework.	
<b>Recommendation 12.2</b>			
1. Company has in place an independent internal audit function that provides an independent and objective assurance, and consulting services designed to add value and improve the company's operations.	Compliant	Disclose if the internal audit is in-house or outsourced. If outsourced, identify external firm.	Apart from the internal audit team, PWC acts as the external auditor for the Company.
<b>Recommendation 12.3</b>			
1. Company has a qualified Chief Audit Executive (CAE) appointed by the Board.	Compliant	Identify the company's Chief Audit Executive (CAE) and provide information on or reference to a document containing his/her responsibilities.	The Company, being part of a multinational organization, has its own internal audit team called Internal Audit Group (IAG). The IAG reports to the Audit Committee on an annual basis which is then reported to the Board of Directors. The IAG undertakes a periodic audit on several relevant topics to ensure compliance by the Company of not only the internal policy but of the pertinent regulations as well.
2. CAE oversees and is responsible for the internal audit activity of the organization, including that portion that is outsourced to a third party service provider.	Compliant		The Company, being part of a multinational organization, has its own internal audit team called Internal Audit Group (IAG). The IAG reports to the Audit Committee on an annual basis which is then reported to the Board of Directors. The IAG undertakes a periodic audit on several relevant topics to ensure compliance by the Company of not only

<p>3. In case of a fully outsourced internal audit activity, a qualified independent executive or senior management personnel is assigned the responsibility for managing the fully outsourced internal audit activity.</p>	<p>Compliant</p>	<p>Identify qualified independent executive or senior management personnel, if applicable.</p>	<p>the internal policy but of the pertinent regulations as wells. The Company has an internal audit team within its organization.</p>
<p><b>Recommendation 12.4</b></p>			
<p>1. Company has a separate risk management function to identify, assess and monitor key risk exposures.</p>	<p>Compliant</p>	<p>Provide information on company's risk management function.</p>	<p>The Company has a Management Level Risk and Capital Committee and a Board level Risk Oversight Committee that convenes on a quarterly basis.  The Risk and Capital Committee (RCC) is responsible for managing and overseeing risk at AIG Philippines.  The RCC supports the Risk Oversight Committee, Board of Directors, and Management to determine strategy while balancing profitability, risk and growth.  The RCC oversees the implementation of the Company's risk framework and drives the maturity of related risk policies, standards, frameworks, and capabilities.</p>
<p><b>Recommendation 12.5</b></p>			
<p>1. In managing the company's Risk Management System, the company has a Chief Risk Officer (CRO), who is the ultimate champion of Enterprise Risk Management (ERM).</p>	<p>Compliant</p>	<p>Identify the company's Chief Risk Officer (CRO) and provide information on or reference to a document containing his/her</p>	<p>The Risk Officer is tasked with various responsibilities such as analysis and mitigation of risks that could affect the Company. She ensures that the Company</p>

			responsibilities and qualifications/background.	complies with protocols and standards set forth by the organization.
2.	CRO has adequate authority, stature, resources and support to fulfill his/her responsibilities.	Compliant		The Company's Risk Officer works with relevant units to determine, quantify, and mitigate risks involved in establishing and maintaining client, third-party, and industry relationships.
<b>Cultivating a Synergic Relationship with Shareholders</b>				
<b>Principle 13: The company should treat all shareholders fairly and equitably, and also recognize, protect and facilitate the exercise of their rights.</b>				
<b>Recommendation 13.1</b>				
1.	Board ensures that basic shareholder rights are disclosed in the Manual on Corporate Governance.	Non-Compliant	Provide link or reference to the company's Manual on Corporate Governance where shareholders' rights are disclosed.	The Company adopts and adheres to the Corporate Governance policies and principles issued by the Insurance Commission, in lieu of a manual.
2.	Board ensures that basic shareholder rights are disclosed on the company's website.	Non-Compliant	Provide link to company's website	The Company adopts and adheres to the Corporate Governance policies and principles issued by the Insurance Commission, in lieu of a manual.
<b>Recommendation 13.2</b>				
1.	Board encourages active shareholder participation by sending the Notice of Annual and Special Shareholders' Meeting with sufficient and relevant information at least 21 days before the meeting.	Compliant	Indicate the number of days before the annual stockholders' meeting or special stockholders' meeting when the notice and agenda were sent out  Indicate whether shareholders' approval of remuneration or any changes therein were included in the agenda of the meeting.	The Notice and Agenda including the presentation materials are furnished to the Shareholder's at least 5 days prior to the board meeting.
<b>Recommendation 13.3</b>				

<p>1. Board encourages active shareholder participation by making the result of the votes taken during the most recent Annual or Special Shareholders' Meeting publicly available the next working day.</p>	<p>Compliant</p>	<p>Provide information or reference to a document containing information on all relevant questions raised and answers during the ASM and special meeting and the results of the vote taken during the most recent ASM/SSM.</p>	<p>The Company is not a publicly listed company. It only has 6 shareholders ( 5 of which represents the share of the Directors. As such, the shareholders participate and are aware of the votes taken during the shareholder's meeting.</p>
<p>2. Minutes of the Annual and Special Shareholders' Meetings were available on the company website within five business days from the end of the meeting.</p>	<p>Compliant</p>	<p>Provide link to minutes of meeting in the company website.  Indicate voting results for all agenda items, including the approving, dissenting and abstaining votes.  Indicate also if the voting on resolutions was by poll.  Include whether there was opportunity to ask question and the answers given, if any</p>	<p>Please see Minutes of the SH meeting at <a href="http://www.dig.com.ph">www.dig.com.ph</a>.</p>
<p><b>Recommendation 13.4</b></p>			
<p>1. Board has an alternative dispute mechanism to resolve intra-corporate disputes in an amicable and effective manner.</p>	<p>Compliant</p>	<p>Provide details of the alternative dispute resolution made available to resolve intra-corporate disputes</p>	<p>The Board adopts and adheres to the provisions of the Revised Corporation Code on intra-corporate dispute.</p>
<p>2. The alternative dispute mechanism is included in the company's Manual on Corporate Governance.</p>	<p>Non-Compliant</p>	<p>Provide link/reference to where it is found in the Manual on Corporate Governance</p>	<p>The Company adopts and adheres to the Corporate Governance policies and principles issued by the Insurance Commission, in lieu of a manual.</p>
<p><b>Duties to Stakeholders</b></p>			

**Principle 14:** The rights of stakeholders established by law, by contractual relations and through voluntary commitments must be respected. Where stakeholders' rights and/or interests are at stake, stakeholders should have the opportunity to obtain prompt effective redress for the violation of their rights.

**Recommendation 14.1**

<p>1. Board identifies the company's various stakeholders and promotes cooperation between them and the company in creating wealth, growth and sustainability.</p>	<p>Compliant</p>	<p>Identify the company's shareholder and provide information or reference to a document containing information on the company's policies and programs for its stakeholders.</p>	<p>See General Information Sheet at <a href="http://www.aig.com.ph">www.aig.com.ph</a>.</p> <p>There is a close collaboration between the Management Committee members and the Board of Directors such that all substantial concerns that pose an issue to the direction and strategies of the company, including pressing concerns from partners and clients are, communicated.</p>
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**Recommendation 14.2**

<p>1. Board establishes clear policies and programs to provide a mechanism on the fair treatment and protection of stakeholders.</p>	<p>Compliant</p>	<p>Identify policies and programs for the protection and fair treatment of company's stakeholders</p>	<p>The Company adopts and complies with the provisions of the law and existing regulations on the fair treatment and protection of shareholders.</p>
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**Recommendation 14.3**

<p>1. Board adopts a transparent framework and process that allow stakeholders to communicate with the company and to obtain redress for the violation of their rights.</p>	<p>Compliant</p>	<p>Provide the contact details (i.e., name of contact person, dedicated phone number or e-mail address, etc.) which stakeholders can use to voice their concerns and/or complaints for possible violation of their rights.</p> <p>Provide information on whistleblowing policy, practices and procedures for stakeholders</p>	<p>The Company adopts and complies with the provisions of the law and existing regulations on the fair treatment and protection of shareholders, including the mechanisms on how the shareholders can communicate grievances.</p>
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**Principle 15:** A mechanism for employee participation should be developed to create a symbiotic environment, realize the company's goals and participate in its corporate governance processes.

**Recommendation 15.1**

1. Board establishes policies, programs and procedures that encourage employees to actively participate in the realization of the company's goals and in its governance.

Compliant

Provide information on or link/reference to company policies, programs and procedures that encourage employee participation.

The Company has strategic planning sessions to ensure that goals are aligned with the strategies set by the Board of Directors.

**Recommendation 15.2**

1. Board sets the tone and makes a stand against corrupt practices by adopting an anti-corruption policy and program in its Code of Conduct.

Compliant

Identify or provide link/reference to the company's policies, programs and practices on anti-corruption

The Company has adhered to a very strict anti-corruption protocol and policy, as per requirement under existing laws.

2. Board disseminates the policy and program to employees across the organization through trainings to embed them in the company's culture.

Compliant

Identify how the board disseminated the policy and program to employees across the organization

The Company adopts a periodic training on company policies to its employees, including anti-corruption. The training is being monitored by the Compliance Officer.

**Recommendation 15.3**

1. Board establishes a suitable framework for whistleblowing that allows employees to freely communicate their concerns about illegal or unethical practices, without fear of retaliation

Compliant

Disclose or provide link/reference to the company whistle-blowing policy and procedure for employees.

The Company has a whistle blowing policy that specifically provides protection to the whistle blower.

Indicate if the framework includes procedures to protect the employees from retaliation.

The employees may contact Michelle Comia-Marasigan, Compliance Officer, for any whistle blowing concerns.

Provide contact details to report any illegal or unethical behavior.

2. Board establishes a suitable framework for whistleblowing that allows employees to have direct access to an independent

Compliant

The Company has a whistle blowing policy that specifically provides protection to the employees.




<p>member of the Board or a unit created to handle whistleblowing concerns.</p> <p>3. Board supervises and ensures the enforcement of the whistleblowing framework.</p>	<p>Compliant</p>	<p>Provide information on how the board supervised and ensured enforcement of the whistleblowing framework, including any incident of whistleblowing.</p>	<p>The Board has the overall supervision of the Company policies, which includes whistle blowing.</p>
<p><b>Principle 16:</b> The company should be socially responsible in all its dealings with the communities where it operates. It should ensure that its interactions serve its environment and stakeholders in a positive and progressive manner that is fully supportive of its comprehensive and balanced development.</p>			
<p><b>Recommendation 16.1</b></p>			
<p>1. Company recognizes and places importance on the interdependence between business and society and promotes a mutually beneficial relationship that allows the company to grow its business, while contributing to the advancement of the society where it operates.</p>	<p>Compliant</p>	<p>Provide information or reference to a document containing information on the company's community involvement and environment-related programs.</p>	<p>The Company has undertaken activities in line with its corporate social responsibilities. Please see <a href="http://www.aig.com.ph">www.aig.com.ph</a>.</p>

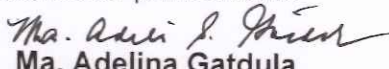
**CERTIFICATION**

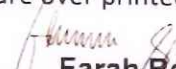
The undersigned certify that the responses and explanations set forth in the above Company's Annual Corporate Governance Report are true, complete and correct of our own personal knowledge and/or based on authentic records.

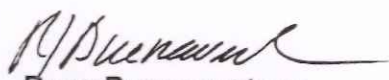
Signed in the City of Makati City on the JUL 29 2021 of 20.

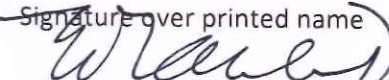
  
**Amb. Roberto Romulo**  
**CHAIRMAN OF THE BOARD**  
 Signature over printed name

  
**Gary Wong**  
**PRESIDENT/CEO**  
 Signature over printed name

  
**Ma. Adelina Gatdula**  
**CORPORATE SECRETARY**  
 Signature over printed name

  
**Farah Repol**  
**CORPORATE GOVERNANCE COMPLIANCE OFFICER**  
 Signature over printed name

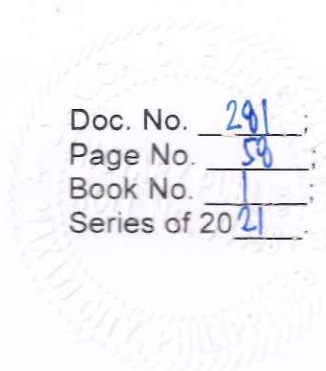
  
**Rene Buenaventura**  
**INDEPENDENT DIRECTOR**  
 Signature over printed name  
 (OUT OF THE COUNTRY)

  
**Emmanuel Fernando Bautista**  
**INDEPENDENT DIRECTOR**  
 Signature over printed name

**SUBSCRIBED AND SWORN** to before me this JUL 29 2021 day of \_\_\_\_\_, 20\_\_\_\_, by the following who are all personally known to me (or whom I have identified through competent evidence of identity) and who exhibited to me their respective identification document as follows:

	<b>NAME</b>	<b>ID NO.</b>	<b>DATE/ PLACE ISSUED</b>
1.	<u>ROBERTO REY ROMULO</u>	<u>P1967545A</u>	<u>FEB 20, 2017 / DFA MANILA</u>
2.	<u>GARY WONG</u>	<u>505940243</u>	<u>NOV.12, 2014/UNITED STATES OF AMERICA</u>
3.	<u>FARAH D. REPOL</u>	<u>1210-2563-0353</u>	<u>_____</u>
4.	<u>MA. ADELINA SIONGCO GATDULA</u>	<u>N04-85-005714</u>	<u>Expiring on May 10, 2022 / LTD</u>
5.	<u>EMMANUEL FERNANDO ORDOVEZA BAUTISTA</u>	<u>P7976675A</u>	<u>JULY 17, 2018 / DFA MANILA</u>
6.	<u>_____</u>	<u>_____</u>	<u>_____</u>

  
**NOTARY PUBLIC**  
**DANICA C. EVANGELISTA**  
 Appointment No. M-199  
 Notary Public for Makati City  
 Until December 31, 2022  
 Liberty Center-Picazo Law  
 104 H.V.Dela Costa Street, Makati City  
 Roll of Attorney's No. 74438  
 PTR No. 8535736/Makati City/01-05-2021  
 IBP No. 137912/Rizal /01-05-2021  
 MCLE Exempted-Admitted to the bar in 2020



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