

## ANNUAL CORPORATE GOVERNANCE REPORT

### *The Board's Governance Responsibilities*

***Principle 1: The company should be headed by a competent, working board to foster the long-term success and sustainability of the corporation in a manner consistent with its corporate objectives and the long-term best interests of its shareholders and other stakeholders.***

	COMPLIANT/NON-COMPLIANT	ADDITIONAL INFORMATION	EXPLANATION
<b>Recommendation 1.1</b>			
The Board should be composed of directors with a collective working knowledge, experience or expertise that is relevant to the company's industry/sector.	Compliant	<p><b>The Board of Directors of Allianz PNB Life has diverse and relevant experience in the financial and insurance institutions and remains qualified for their positions in accordance with the standards, rules and regulations.</b></p> <p>The company's <a href="#">Annual report</a> provides the respective profile of the Board of Directors. (See pages 30-31)</p> <p><a href="#">Pages 3-4 of the Corporate Governance Manual</a> and <a href="#">page 24 Annual report</a> enumerates the qualification of the directors.</p>	
Board has an appropriate mix of competence and expertise	Compliant		
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.	Compliant		
<b>Recommendation 1.2</b>			
The Board should be composed of a majority of non-executive directors.	Compliant	<p><b>The Company has two independent directors who constituted 29% of the membership of the Board. Meanwhile, six out of the seven members or 86% of the Board, are Non-Executive Directors, including the independent directors.</b></p> <p>The <a href="#">Annual Report</a> reflects the directors and type of their directorship. (See pages 30-31)</p>	

	COMPLIANT/NON-COMPLIANT	ADDITIONAL INFORMATION	EXPLANATION
<b>Recommendation 1.3</b>			
Company provides in its Board Charter or Manual on Corporate Governance a policy on training of directors.	Compliant	<p>As provided on <a href="#">page 16 of the Corporate Governance Manual</a>, one of the duties and responsibilities of a Director is to maintain his professional integrity and continuously seek to enhance his skills, knowledge, and understanding of the activities that the company is engaged in or intends to pursue as well as developments in the insurance industry including regulatory changes through continuing education or training.</p> <p>A director is also required to attend a seminar on Corporate Governance conducted by a private or government institute duly accredited by the Insurance Commission.</p> <p>See <a href="#">page 26 of the Corporate Governance manual</a>.</p>	
Company provides in its Board Charter or Manual on Corporate Governance an orientation program for first time directors.	Compliant	<p>As provided on <a href="#">pages 15 and 26 of the Corporate Governance Manual</a>, Directors are required to attend a seminar on Corporate Governance conducted by a private or government institute duly accredited by the Insurance Commission, before assumption of office or as soon as possible thereafter. The Chairman also ensures that there is an <a href="#">Orientation Program for New Directors</a>.</p>	
Company has relevant annual continuing training for all directors.	Compliant		

	COMPLIANT/NON-COMPLIANT	ADDITIONAL INFORMATION	EXPLANATION
		The directors completed the required hours of continuing education/training on Corporate Governance. The list of trainings completed by the directors is enumerated in the <a href="#">Annual Report. (See page 24)</a>	
<b>Recommendation 1.4</b>			
Board has a policy on board diversity	Compliant	<p><a href="#">Section I.6, page 8 of the Corporate Governance Manual</a> states that Board Diversity is not limited to gender diversity. It also includes diversity in age, ethnicity, culture, skills, competence and knowledge.</p> <p><a href="#">Section I.11, page 18 of the Corporate Governance Manual</a> also states that non-Filipino citizens may become members of the board of directors pursuant to Section 23 of the Corporation Code of the Philippines.</p> <p>1 out of the 7 members of the Allianz PNB Life Board is a female.</p>	
<b>Recommendation 1.5</b>			
The Board is assisted in its duties by a Corporate Secretary	Compliant	<p>Atty. Florentino M. Herrera III is the Corporate Secretary of Allianz PNB Life. His profile is provided on <a href="#">page 31 of the Annual Report</a>. He is not a member of the Board of Directors.</p> <p><a href="#">Section V, page 21 of the Corporate Governance Manual</a> provides the qualifications and duties of the Corporate Secretary.</p>	
Corporate Secretary is a separate individual from the Compliance Officer	Compliant		
Corporate Secretary is not a member of the Board of Directors,	Compliant		

	COMPLIANT/NON-COMPLIANT	ADDITIONAL INFORMATION	EXPLANATION
Corporate Secretary attends training/s on corporate governance.	Compliant	Atty. Florentino M. Herrera III completed Corporate Governance training in October, 2020. Please see copy of his <a href="#">training certificate</a> .	
<b>Recommendation 1.6</b>			
The Board is assisted in its duties by a Compliance Officer.	Compliant	Atty. Amor Datinguino is the General Counsel and Chief Compliance Officer of Allianz PNB Life. She holds a Vice President rank and a member of the Management Committee. Her profile is provided on <a href="#">page 33 of the Annual report</a> . She is not a member of the board.  <a href="#">Section VII, page 23 of the Corporate Governance manual</a> provides the qualifications, duties and responsibilities of the Compliance Officer.	
Compliance Officer has a rank of Vice President or an equivalent position with adequate stature and authority in the corporation	Compliant		
Compliance Officer is not a member of the board.	Compliant		
Compliance Officer attends training/s on corporate governance annually.	Compliant	Atty. Amor Datinguino completed courses on Corporate Governance, facilitated by the Institute of Corporate Directors and SGV last October 13-14, & 20, 2020.  Please see copy of her training certificates.  <a href="#">ICD – October 13-14, 2020</a> <a href="#">SGV- October 20, 2020</a>	

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<b><i>Principle 2: The fiduciary roles, responsibilities and accountabilities of the Board as provided under the law, the company's articles and by-law5, and other legal pronouncements and guidelines should be clearly made known to all directors as well as to stockholders and other stakeholders.</i></b>			
Recommendation 2.1			
<p>Directors act on a fully informed basis, in good faith, with due diligence and care, and in the best interest of the company.</p>	Compliant	<p><a href="#">Section I, page 29 of the Corporate Governance Manual</a> provides that the board should establish a performance evaluation system to determine and measure compliance with the manual.</p> <p>Also, the Board of Directors conducts an annual self-assessment of their individual performance, Board performance, and performance as members of various Board Committees based on respective criteria which include their specific duties and responsibilities as a board of director. Portions of the said Board Performance Evaluation form also include the specific self-assessments answered only by the Chairman of the Board and the CEO. The Corporate Governance Nomination Compensation Committee (CGNC) sends these assessment forms to every director, collects the completed forms, prepares a summary report and conduct an annual deliberation of the respective individual and committee performances.</p> <p>Please refer to the attached <a href="#">Board Performance Evaluation form</a> and the <a href="#">Copy of October 2020 board meeting agenda</a> as proof that the results were discussed.</p>	

	COMPLIANT/NON-COMPLIANT	ADDITIONAL INFORMATION	EXPLANATION
<b>Recommendation 2.2</b>			
Board oversees the development, review and approval of the company's business objectives and strategy.	Compliant	<b>The Board ensures to table in the discussions the regular business reviews which includes the objectives and strategy. The 2021 Business Plan of the Corporation was briefly discussed and recommended for Board approval during the <a href="#">December 2, 2020 Executive Committee meeting</a>. The Board, through Resolution No. 2020-BD-30 approves the same.</b>	
Board oversees and monitors the implementation of the company's business objectives and strategy in order to sustain the company's long-term viability and strength.	Compliant		
<b>Recommendation 2.3</b>			
Board is headed by a competent and qualified Chairperson	Compliant	<b>The Board is chaired by Dr. Lucio Tan. His profile is provided on <a href="#">page 30 of the Annual Report</a>.</b>	
<b>Recommendation 2.4</b>			
Board ensures and adopts an effective succession planning program for directors, key officers and management.	Compliant	<b>The Board oversees the succession planning of the CEO and Management Committee, including critical roles such as the heads of the Company's oversight functions. The annual review of the succession plans covers the identification of new successors and updated readiness of previously identified successors according to readiness levels, removal of successors who no longer fit the pipeline and includes diverse candidates (such as gender, skills and functions etc.) where possible. All nominations to such positions are deliberated and discussed in the Corporate Governance, Nomination and Compensation Committee which shall</b>	
Board adopts a policy on the retirement for directors and key officers			

	COMPLIANT/NON-COMPLIANT	ADDITIONAL INFORMATION	EXPLANATION
		<p>evaluate the nominees' competency and credentials and shall make appropriate endorsement and recommendation to the Board.</p> <p>The highlights of the Succession Planning policy are provided on <a href="#">page 22 of the Annual Report</a>.</p>	
<b>Recommendation 2.5</b>			
Board formulates and adopts a policy specifying the relationship between remuneration and performance of key officers and board members.	Compliant	<p><b>The remuneration structures of the Board take into account the individual functions and responsibilities of the Board members such as Chairman, Vice Chairman or Committee Mandates.</b></p> <p>The company measures performance in an annual process which includes the key steps of agreeing to priorities, regular feedback and year-end performance assessment. Company performance is calculated as a separate element of performance. Allianz PNB Life also uses the framework of Objective Key Results (OKR) to measure performance and these are shared and transparent across the organization.</p> <p>Please see <a href="#">page 25, Remuneration section in the Annual Report</a>.</p>	
Board aligns the remuneration of key and board members with long-term interests of the company.	Compliant	<b>The Corporate Governance, Nomination and Remuneration Committee is responsible for the</b>	

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		review and approval local Remuneration strategy on executive remuneration packages of corporate officers and directors and provide oversight over remuneration of senior management and other key personnel ensuring that compensation is consistent with the Company's culture, financial capacity, business strategy and control environment. The company's compensation plans are benchmarked and reviewed regularly against the market.		
Directors do not participate in discussions or deliberations involving his/her own remuneration.	Compliant	The company's Remuneration Policy applies consistent Remuneration Principles to ensure appropriateness and alignment with legal requirements and prevailing market conditions. Any remuneration commitments on behalf of the company follow the applicable authorization rules and are subject to the 4-eyes principle".	-	
<b>Recommendation 2.6</b>				
Board has a formal and transparent board nomination and election policy.	Compliant	<a href="#">Article 3, Sections 2, 3, 4 and 9 of the By Laws</a> provides the entitlement of nominations of stockholders, election and term, election in case of vacancies and voting.		
Board nomination and election policy is disclosed in the company's Manual on Corporate Governance.	Compliant			
Board nomination and election policy includes how the company accepts nominations from minority shareholders.	Compliant			
Board nomination and election policy includes how the board reviews nominated candidates	Compliant		<a href="#">Section 11.1.4, page 19 of the Corporate Governance Manual</a> states that the nomination and election process provides that when a nominee has all the qualifications and none of the disqualifications defined by law	
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.	Compliant			
Board has a process for identifying the quality of directors that is aligned with the strategic direction of the company	Compliant			



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		<p>and rule, the committee shall endorse the nominee to the board.</p> <p><a href="#">Section H. Page 27 of the Corporate Governance Manual</a> provides the Shareholders Rights and protection of Minority stockholders’ interests.</p> <p>Qualifications of a director are enumerated under <a href="#">sections I.1 and I.2 pages 3-4 of the Corporate Governance Manual</a>.</p> <p>The Board of directors and stockholders shall elect a director in accordance with the <a href="#">By-Laws</a>.</p> <p>The attached <a href="#">Corporate Governance, Nomination and Compensation Committee Charter</a> also provide the detailed nomination and election process for directors.</p>	
<b>Recommendation 2.7</b>			
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.	Compliant	<p><b>Our Board of Directors, Management, and staff commit to adopt and adhere with the Policy Guidelines on Related Party Transactions (RPTs). We recognize the importance of establishing and maintaining policies and procedures governing transactions between related parties to ensure that these are only undertaken on an arm’s length basis for the financial, commercial, and economic benefit of the Company and the entire group to which the Company belongs. The RPT</b></p>	
RPT policy includes appropriate review and approval of material RPTs, which guarantee fairness and transparency of the transactions	Compliant		
RPT policy encompasses all entities within the group, taking into account their size, structure, risk profile and complexity of operations.	Compliant		

	COMPLIANT/NON-COMPLIANT	ADDITIONAL INFORMATION	EXPLANATION
		<p>provides that the COMPANY shall identify and prevent or manage potential or actual conflicts of interest which may arise. Directors and officers with personal interest in the transaction shall abstain from the discussion, approval and management of such transaction or matter affecting the COMPANY. Employees, Officers or directors who have been remiss in their duties in handling RPTs shall be dealt with in accordance with the Code of Business Conduct.</p> <p>The Board, through the RPT Committee (RPTC), exercises appropriate oversight in the implementation of these guidelines.</p> <p>Please see <a href="#">page 26 of the Annual Report</a>.</p> <p>Details of the material RPT are discussed under <a href="#">Audited Financial Statement</a>.</p>	
Recommendation 2.8			
<p>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>	Compliant	<p><a href="#">Page 10 of the Corporate Governance Manual</a> provides that the minimum internal control mechanism of the Board's oversight responsibility includes the selection of the person who possesses the ability, integrity and expertise essential for the position of the CEO and selection and appointment of management officers.</p>	

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		<p>Annually, the CGNC evaluates and confirms the appointment of Management officers and endorses these to the board for approval.</p> <p>Please see copy of the <a href="#">June 2020 board appointment of the officers as well as the other appointments after June 2020.</a></p>	
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).	Compliant	<p><a href="#">Section 1.8 of the Corporate Governance Manual, pages 9-14</a> provided that one of the responsibilities of the Board of directors is to oversee the selection and performance of senior management. It is the primary responsibility of the board of directors to appoint competent, professional, honest, and highly-motivated management team at all times; adopt an effective succession planning program for management; monitor and assess the performance of the management team based on established performance standards that are consistent with the company' strategic objectives, and conduct regular review of its policies with the management team.</p>	
<b>Recommendation 2.9</b>			
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.	Compliant	The company measures performance in an annual process which includes the key steps of agreeing to priorities, regular feedback and year-end	

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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.	Compliant	<p><b>performance assessment. Company performance is calculated as a separate element of performance. Allianz PNB Life also uses the framework of Objective Key Results (OKR) to measure performance and these are shared and transparent goals across the organization. Please see <a href="#">Annual Report, page 25.</a></b></p> <p><b>Portion of the Board Performance Evaluation form also include the specific self-assessments answered only by the CEO. Please see attached <a href="#">Board Performance Evaluation Form.</a></b></p>	
<b>Recommendation 2.10</b>			
Board oversees that an appropriate internal control system is in place.	Compliant	<b><a href="#">Section 1.7.3, page 10 of the Corporate Governance Manual</a> provides the Internal Control responsibilities of the Board.</b>	
The internal control system includes a mechanism for monitoring and managing potential conflict of interest of the Management, members and shareholders	Compliant	<p><b>In accordance with the Three- Lines-of- Defense model of internal controls of the company, on <a href="#">pages 22-23 of the Corporate Governance manual</a>, the functions of Compliance and Risk Management are the second line of controls while the Audit function are exercising the third line of controls. The officers shall have functional reporting lines to respective Group/Global functions.</b></p>	

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		<p><b>The Conflict of Interest Policy was presented and approved by the Board of Directors and Management Committee. This policy is disseminated to all employees and is explained to all new hires at the required onboarding seminars. Likewise, the highlights of the policy are in the annual report which is published in the website. (<a href="#">See page 27 of the Annual Report</a>)</b></p>	
Board approves the Internal Audit Charter	Compliant	<p><b>Please see link to the highlights of the Internal Audit Policy in the Annual report which is published in the website. (<a href="#">See Audit, page 26, Annual Report</a>)</b></p> <p>The Internal Audit Policy provides the following:</p> <ol style="list-style-type: none"> <li>1. Rationale and Scope of application</li> <li>2. General Principles of Internal Audit and Allianz Group</li> <li>3. Specific requirement of the Internal Audit Function</li> <li>4. Internal Audit activities and Processes which includes, establishment of audit universe and derive an audit plan, performance of Internal audit, audit report, follow up, providing advice and establish audit-related principles and procedures</li> <li>5. Governance and Roles and responsibilities.</li> </ol>	

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<b>Recommendation 2.11</b>			
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	<p><b>The company has a robust risk management framework which implements an Internal Risk Control System reviewed periodically and a risk management team which directly report to the ACRMC.</b></p> <p><b>One of the responsibilities of the Audit, Compliance and Risk Management Board Committee is to assist the Board in fulfilling its oversight responsibility on Risk Management. The details of activities are enumerated in the <a href="#">ACRMC Charter</a>.</b></p> <p>Please see <a href="#">pages 18-19 of the Annual Report</a>.</p>	
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		
<b>Recommendation 2.12</b>			
Board has a Board Charter that formalizes and clearly states its roles, responsibilities and accountabilities in carrying out its fiduciary duties.	Compliant	<p><b>Please see link to the <a href="#">Corporate Governance Page</a> in the company website.</b></p>	
Board Charter serves as a guide to the directors in the performance of their functions.	Compliant		
Board Charter is publicly available and posted on the company's website.	Compliant		
<p><b><i>Principle 3: 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</i></b></p>			
<b>Recommendation 3.1</b>			
Board establishes board committees that focus on specific board functions to aid in the optimal performance of its roles and responsibilities.	Compliant	<p><b>The Board is composed of the following committees:</b></p>	

	COMPLIANT/NON-COMPLIANT	ADDITIONAL INFORMATION	EXPLANATION
		<ol style="list-style-type: none"> <li>1. Corporate Governance, Nomination and Compensation Committee (GCNC)</li> <li>2. Audit, Compliance and Risk Management, and Compliance Committee (ACRMC)</li> <li>3. Related Party Transactions Committee (RPTC)</li> <li>4. Investments Committee</li> <li>5. Executive Committee (EXCOM)</li> </ol> <p>Please <a href="#">see pages 21-22 of the Annual report</a>, and link to the Board Charters in the <a href="#">Corporate Governance page</a> of the website.</p>	
<b>Recommendation 3.2</b>			
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	<p>Included in the responsibilities of the Audit, Compliance and Risk Management Committee (ACRMC) are the following:</p> <ol style="list-style-type: none"> <li>1. Assist the Board in fulfilling its oversight responsibilities on financial reporting process, system of internal control and audit process.</li> <li>2. Recommend the appointment, reappointment and removal of the external auditor.</li> </ol> <p>Please see link to the <a href="#">ACRMC Charter</a>.</p>	
Audit Committee is composed of at least three appropriately qualified non-executive directors, the majority of whom, including the Chairman is independent.	Compliant	Considering the size of the corporation and the small size of the board (there are only 7 directors, two of whom are	

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		<p>independent directors), the board assigned all of the independent directors and two (2) of the non-executive directors in the ACRMC which exercises the responsibilities of these three combined functions: Audit, Compliance and Risk Management Committee (ACRMC).</p> <p>Please see information on the members of the ACRMC Committee including their qualifications and type of directorship on <a href="#">page 21 of the Annual report</a>.</p>	
<p>All the members of the committee have relevant background, knowledge, skills, and/or experience in the areas of accounting, auditing and finance.</p>	<p>Non-Compliant</p>		<p><b>The Audit, Compliance and Risk Management Committee (ACRMC) is chaired by Mr. Silvius von Lindeiner, an Independent Director. Members include Mr. Federico Pascual, Independent Director, Ms. Anusha Thavarajah, and Sen Chew Lua, both Non-Executive Directors (NDE)</b></p> <p>Please see respective profile in the Annual Report.</p> <p>While none of the three members are accountants/auditors, each of them has diverse and relevant experience in the financial and insurance institutions, holding CEO,</p>



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			<p><b>directorships and leadership positions.</b></p> <p><b>Mr. Silvius von Lindeiner has over 40 years of experience in the insurance industry holding leadership positions in Munich, Singapore, Kuala Lumpur, Malaysia and Manila.</b></p> <p><b>Federico Pascual holds Bachelor degrees in Arts at the Ateneo de Manila University and Bachelor of Laws (Member, Law Honors Society) at the University of the Philippines. He also completed his Master's degree in Law at the Columbia University.</b></p> <p><b>Sen Chew Lua held leadership positions and directorships in Merger and Acquisitions and Financial groups in Singapore.</b></p> <p><b>One of the committee members, Ms. Anusha Thavarajah even holds a Bachelor of Science degree in in Mathematics &amp; Statistics, a Fellow of the Institute of Actuaries, United Kingdom and Fellow of the Malaysian Insurance Institute.</b></p>

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The Chairman of the Audit Committee is not the Chairman of the Board or of any other committee	Non-compliant		<p>Considering the size of the corporation and the small size of the board (only 7 directors), the required functions of an Audit Committee is combined in one committee with Compliance and Risk Management. The objectives of having an Audit Committee are met by the current Audit, Compliance and Risk management Committee (ACRMC) given the scale of the business.</p> <p>Please see Mr. Silvius von Lindeiner's profile in the <a href="#">Annual Report, page 31.</a></p>
<b>Recommendation 3.3</b>			
Board establishes a Corporate Governance Committee tasked to assist the Board in the performance of its corporate governance responsibilities, including the functions that were formerly assigned to a Nomination and Remuneration Committee	Compliant	<a href="#">Please see link to the Corporate Governance, Nomination and Compensation Committee Charter (CGNC).</a>	
Corporate Governance Committee is composed of at least three members, majority of whom should be independent directors.	Non- Compliant		<p>Considering the size of the corporation and the small size of the board (there are only 7 directors, two of whom are independent directors), the board assigned all of the independent directors and three (3) non-executive directors in the</p>

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			<p><b>CGNC which exercises the responsibilities of these three combined functions: Corporate Governance, Nomination and Compensation Committee (CGNC).</b></p> <p>Please see information on the member of the CGNC Committee including their qualifications and type of directorship in <a href="#">the Annual report, page 21</a></p>
Chairman of the Corporate Governance Committee is an independent director.	Compliant	<p><b>The Corporate Governance, Nomination and Compensation Committee is chaired by Mr. Silvius von Lindeiner, an Independent director.</b></p> <p>Please see <a href="#">page 21 of the Annual Report.</a></p>	
<b>Recommendation 3.4</b>			
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.	Non-compliant		<p><b>Considering the size of the Corporation and the small size of the board (there are only 7 directors) the Risk Oversight function is combined in the Audit, Compliance and Risk Management Committee (ACRMC). Please see attached ACRMC charter which enumerates the specific responsibilities.</b></p>
BROC is composed of at least three members, the majority of whom should be independent directors, including the Chairman.	Non-compliant		
The Chairman of the BROC is not the Chairman of the Board or of any other committee.	Non-Compliant		
At least one member of the BROC has relevant thorough knowledge and experience on risk and risk management,	Non-Compliant		

	COMPLIANT/NON-COMPLIANT	ADDITIONAL INFORMATION	EXPLANATION
			<p>The ACRMC is chaired by Mr. Silvius Von Lindeiner, an Independent director. It is composed of 3 other Independent and Non-Executive directors, including Ms. Anusha Thavarajah, who holds a Bachelor of Science degree in Mathematics &amp; Statistics, a Fellow of the Institute of Actuaries, United Kingdom and Fellow of the Malaysian Insurance Institute.</p> <p>The objectives of having a separate Risk Committee are met by the current Audit, Compliance and Risk Management Committee given the scale of the business.</p> <p>Respective profile of committee members is provided in the <a href="#">Annual report, page 21</a></p>
<b>Recommendation 3.5</b>			
The Board establishes a Related Transactions (RPT) Committee, which is tasked with reviewing all material related party transactions of the company,	Compliant	<b>Please see link to the <a href="#">Related Party Transactions Committee Charter</a>.</b>	
RPT Committee is composed of at least three non-executive directors, majority of whom should be independent, including the Chairman.	Compliant	<b>The RPT Committee is composed of two (2) Independent Directors,</b>	

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		including the Committee Chairman and one (1) Non-Executive Director. Please refer to <a href="#">page 22 of the Annual Report</a> for the composition of the RPT Committee and respective profile.	
<b>Recommendation 3.6</b>			
All established committees have a Committee Charters stating in plain terms their respective purposes, memberships, structures, operations, reporting process, resources and other relevant information.	Compliant	All the required information, particularly the functions of the Committee that are necessary for performance evaluation purposes are contained in the Board Committee Charters.  Please see link to the <a href="#">Board Committee Charters</a> .	
Committee Charters provide standards for evaluating the performance of the Committees	Compliant	All committee charters provide standards for evaluating the performance of the Committees. Please see link to the <a href="#">Board Committee Charters</a> .	
Committee Charters were the company's website.	Compliant	Please see link to company's <a href="#">Corporate Governance page</a> .	
<b><i>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.</i></b>			
<b>Recommendation 4.1</b>			

	COMPLIANT/NON-COMPLIANT	ADDITIONAL INFORMATION	EXPLANATION
The Directors attends and actively participates 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	<p>Please see <b>summary of Board meeting Attendance on <a href="#">page 23, Corporate Governance section of the Annual report.</a></b></p> <p>Attached excerpt from the <a href="#">August 2020 minutes</a> which provides that the videoconferencing of the board and/or committee meetings are in accordance with the rules and regulations.</p>	
The directors review meeting materials for all Board and Committee meetings	Compliant	Please see attached <a href="#">Secretary Certificate</a> that all meeting materials were sent to the directors before the board meetings in 2020.	
The directors ask the necessary questions or seek clarifications and explanations during the Board and Committee meetings.		Please see excerpts from the <a href="#">Board meeting minutes</a> which mentions about clarifications of board during the board meeting.	
<b>Recommendation 4.2</b>			
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	<p>Pertinent provision is specified under <a href="#">Section 1.6. Multiple Board Seats, page 8 of the Corporate Governance Manual.</a></p> <p>An Annual Disclosure of Directorship was likewise tabled for discussion in the December 2020 Board meeting. This ensures that all directors are compliant to this requirement. Please see agenda items and screenshot of the <a href="#">minutes of December 2020 board meeting.</a></p>	

	COMPLIANT/NON-COMPLIANT	ADDITIONAL INFORMATION	EXPLANATION
		See respective Board profile in the <a href="#">Annual report, pages 30-31</a> .	
<b>Recommendation 4.3</b>			
The directors notify the company's board where he/she is an incumbent director before accepting a directorship in another company.	Compliant	<b>An Annual Disclosure of Directorships was tabled for discussion in the December 2020 Board meeting.</b>  Please see link to the excerpt on the <a href="#">December 2020 Board meeting</a> .	
<b><i>Principle 5: : The Board should endeavor to exercise an objective and independent judgment on all corporate affairs</i></b>			
<b>Recommendation 5.1</b>			
The Board is composed of at least twenty percent (20%) independent directors	Compliant	<b>The Company has two independent directors who constituted 29% of the membership of the Board. Meanwhile, six out of the seven members or 86% of the Board, are Non-Executive Directors, including the independent directors.</b>  Please see <a href="#">Annual Report</a> .	
<b>Recommendation 5.2</b>			
The independent directors possess all the necessary qualifications and none of the disqualifications to hold the position.	Compliant	<b>The qualifications of the Independent directors are provide on <a href="#">pages 5-6 of the Corporate Governance Manual</a>.</b>	
<b>Recommendation 5.3</b>			
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.	Compliant	<b>Our Independent Directors, Mr. Silvius Von Lindeiner and Federico Pascual were elected on June 5, 2016.</b>  Please see Board of Directors profile in the <a href="#">Annual report, pages 30-31</a> .	

	COMPLIANT/NON-COMPLIANT	ADDITIONAL INFORMATION	EXPLANATION
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.			
The company bars an independent director from serving in such capacity after the term limit of nine years.	Compliant	<b>Terms and Limits of Independent Directors reference to IC CL 2018-36 dated June 26, 2018 were discussed in <a href="#">pages 4-5 of the Corporate Governance Manual</a>.<sup>1</sup></b>	
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 seek shareholders' approval during the annual shareholders' meeting.	Not Applicable	<b>The Independent Directors, Mr. Silvius Von Lindeiner and Federico Pascual are on their 5<sup>th</sup> year since their election on June 5, 2016.</b>  <b>The Board of Directors profile which reflects years of directorship with the company are provided in the <a href="#">Annual report, pages 30-31</a>.</b>	
<b>Recommendation 5.4</b>			
The positions of Chairman of the Board and Chief Executive Officer are held by separate individuals,	Compliant	<b>The Chairman of the Board of Allianz PNB Life Insurance Inc. is Dr. Lucio Tan while Alexander Grenz is the CEO.</b>  <b><a href="#">See Annual report, pages 30-31</a>.</b>	
The Chairman of the Board and Chief Executive Officer has clearly defined responsibilities.	Compliant	<b>The positions of Chairman of the Board and Chief Executive Officer are held by separate individuals.</b>  <b>Respective roles and responsibilities are discussed on <a href="#">pages 15 and 20 of the Corporate Governance Manual</a>.</b>	

<sup>1</sup> Reference to IC CL 2018-36, the foregoing term limit shall be reckoned from 02 January 2015. The same is provided on page 5 of the Corporate Governance Manual.



	COMPLIANT/NON-COMPLIANT	ADDITIONAL INFORMATION	EXPLANATION
<b>Recommendation 5.5</b>			
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 lead director among the independent directors.	Compliant	<b>The Chairman of the Board is a Non-Executive Director.</b> In <a href="#">December 2020</a> , the Board appointed Mr. Silvius Von Lindeiner as the Lead Independent Director. Functions of the Lead Independent Director are discussed under <a href="#">Section 1.3 Lead Independent Director, page 4 of Corporate Governance Manual</a> .	
<b>Recommendation 5.6</b>			
Directors with material interest in a transaction affecting the corporation should abstain from taking part in the deliberations for the same.	Compliant	<b>The Related Party Transactions Policy of the company provides that the COMPANY shall identify and prevent or manage potential or actual conflicts of interest which may arise. The members of the board, stockholders, and management shall disclose to the board whether they directly, indirectly or on behalf of third parties, have a financial interest in any transaction or matter affecting the COMPANY. Directors and officers with personal interest in the transaction shall abstain from the discussion, approval and management of such transaction or matter affecting the COMPANY. Employees, Officers or directors who have been remiss in their duties in handling RPTs shall be dealt with in accordance with the Code of Conduct.</b>	

	COMPLIANT/NON-COMPLIANT	ADDITIONAL INFORMATION	EXPLANATION
		The highlights of the Related party Transaction Policy of the company are provided in the <a href="#">Annual report, page 26.</a>	
<b>Recommendation 5.7</b>			
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.	Compliant	<b>The appointment of a Lead Independent director was held in December 2020.</b> <b>Meanwhile, a meeting of NEDs with External Auditors, Heads of Compliance, IA and Risk and without the CEO was held in February 2021.</b>  <b>Attached are the excerpts from the <a href="#">December 2020 Board meeting agenda</a> and <a href="#">February 2021 Board meeting agenda</a>.</b>	
The meetings are chaired by the Lead independent director.	Compliant		
<b><i>Principle 6: The best measure of the Board's effectiveness 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</i></b>			
<b>Recommendation 6.1</b>			
The Board conducts an annual assessment of its performance as a whole.	Compliant	<b>The Board conducts an annual self-assessment of their individual performance, Board performance, and performance as members of various Board Committees based on the criteria. Portions of the said Board Performance Evaluation form also include the specific self-assessments answered only by the Chairman of the Board.</b>  <b>See copy of the <a href="#">Board's Performance Evaluation Form</a>.</b>	
The performance of the Committees, the Chairman is assessed annually by the Board,	Compliant		
The performance of the individual member of the Board is assessed annually by the Board,	Compliant		
The performance of each committee is assessed annually by the Board.	Compliant		

	COMPLIANT/NON-COMPLIANT	ADDITIONAL INFORMATION	EXPLANATION
		<p>Please see portion of the agenda and minutes of the <a href="#">board meeting last October 2020</a> which discuss about the summary of Board Performance assessments.</p> <p>See Corporate Governance section of the <a href="#">Annual Report, page 25.</a></p>	
Every three years, the assessments are supported by an external facilitator.	Compliant	<p>The Board agreed to avail the services of external facilitator for the Board Performance Assessment in 2023.</p> <p>Please see portion of the <a href="#">October 2020 board minutes of the meeting</a> which confirms the same.</p>	
<b>Recommendation 6.2</b>			
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	<p><b>The following are the criteria in the Performance Evaluation of the Board :</b></p> <p><b>Board of Directors</b>  <b>A. Board Structure</b>  <b>B. Specific Duties and Responsibilities of the Board of Directors</b>  <b>C. Specific Duties and Responsibilities</b></p> <p><b>Board of Committees</b>  <b>Assessment is based on Responsibilities in the Committee Charters.</b></p> <p><b>The Performance Evaluation also includes specific self-assessments</b></p>	
The system allows for a feedback mechanism from the shareholders.			

	COMPLIANT/NON-COMPLIANT	ADDITIONAL INFORMATION	EXPLANATION
		<p>answered only by the Chairman of the Board.</p> <p>See copy of the <a href="#">Board's Performance Evaluation Form</a>.</p> <p>The Corporate Governance Nomination Compensation Committee (CGNC) sends these assessment forms to every director, collects the completed forms, prepares a summary report and conduct an annual deliberation of the respective individual and committee performances.</p> <p>Please see excerpts from the agenda and <a href="#">minutes of the board meeting last October 2020</a> which discuss about the summary of Board Performance assessments.</p>	
<b><i>Principle 7: Members of the Board are duty-bound to apply high ethical standards, taking into account the interests of all stakeholders</i></b>			
<b>Recommendation 7.1</b>			
<p>Board adopts a Code of Conduct and Ethics which, provide information on or link/reference to the company's Code of Business Conduct and Ethics. and Ethics, which provide standards for professional and ethical behavior, as well as articulate acceptable and unacceptable conduct and practices in internal and external dealings of the company</p>	Compliant	<p><b>The Allianz Code of Conduct reflects the company's values and principles and gives guidance in our actions and decisions. It provides standards of professional conduct and ethics within the organization wherein we are reminded of our commitments to operating in culture where 1) We treat each other with respect; 2) We act with integrity 3) We are transparent and we tell the truth and 4) We take ownership and responsibility.</b></p>	

	COMPLIANT/NON-COMPLIANT	ADDITIONAL INFORMATION	EXPLANATION
		Please see link to the <a href="#">Code of Conduct</a> in the company's website.	
The Code is properly disseminated to the Board, senior management and employees	Compliant	<p>The Code of Conduct was presented and approved by the Board of Directors and Management Committee and disseminated to all employees. The same is explained to all new hires at the required onboarding seminars. The Code of Conduct is found in the Company website.</p> <p>See <a href="#">page 27 of the Annual report</a>.</p> <p>See copy of <a href="#">Statement of Compliance</a> template. This serves as proof of dissemination and understanding of the Code and other related/relevant policies.</p>	
The Code is disclosed and made available to the public through the company website.	Compliant	The <a href="#">Code of Conduct</a> may be found at the Corporate Governance page in the company website.	
<b>Recommendation 7.2</b>			
Board ensures the proper and efficient implementation and monitoring of compliance with the Code of Business Conduct and Ethics.	Compliant	<p>The Board of Directors, the Senior management and all employees of Allianz PNB Life are required to comply with the Code of Conduct. Everyone are encouraged speak up on any concerns about possible ethical violations or alleged non-compliance with the Code of Conduct and shall be</p>	
Board ensures the proper and efficient implementation and monitoring of compliance with company internal policies.	Compliant		

	COMPLIANT/NON-COMPLIANT	ADDITIONAL INFORMATION	EXPLANATION
		<p>referred to the appropriate channel including the Board of Directors, Compliance, and Human Resources Department for proper investigation.</p> <p>The Code of Office Decorum Policy, which applies to all employees of Allianz PNB Life shall govern dealings with clients, shareholders, partners and co-employees. It incorporates by reference the company policies as may be applicable such as The Code of Conduct, Compliance policies, Anti-Sexual harassment Policy. This is disseminated to employees and included in the required onboarding seminars.</p> <p>Allianz PNB Life Guideline on Whistleblowing is communicated regularly through email and is available at the company website. This is to ensure that illegal or improper conduct within the Company or in the name of an Allianz entity can be addressed appropriately within Allianz. This protects Allianz and its subsidiaries, employees, and other stakeholders globally from the results and effects of illegal or improper conduct.</p> <p>See copy of <a href="#">Statement of Compliance</a> template. This serves as proof of dissemination and understanding of the Code and other related/relevant Compliance policies.</p>	

	COMPLIANT/NON-COMPLIANT	ADDITIONAL INFORMATION	EXPLANATION
<b><i>Principle 8: Members of the Board are duty-bound to apply high ethical standards, taking into account the interests of all stakeholders</i></b>			
<b>Recommendation 8.1</b>			
Board establishes corporate disclosure policies and procedures to ensure a comprehensive, accurate, reliable and timely report to shareholders and other stakeholders that give a fair and complete picture of a company's financial condition, results and business operations.	Compliant	<p><b>G. Reportorial and Disclosure System, Page 6 of the Corporate Governance Manual provides procedures to ensure timely report to shareholders and stakeholders about the complete picture of the company's financial condition, results and business operations.</b></p> <p>Relevant reports were submitted on a timely manner. Please see link to the financial reports submitted to IC for covered year 2020:</p> <p><a href="#">Annual Financial Statement</a> <a href="#">Statement of Paid Up Capital Reserves</a> <a href="#">Quarterly Statistical Report on Selected Financial Data</a></p>	
<b>Recommendation 8.3</b>			
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.	Compliant	<p><b>Directors' academic qualifications, membership in other boards, other executive positions, professional experiences, expertise, and relevant trainings attended are provided in the <a href="#">Annual Report, pages 30-31</a>.</b></p>	
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 judgement.	Compliant		
<b>Recommendation 8.4</b>			
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	Compliant	<b>The Company's Remuneration system is annually reviewed by the Senior management and Corporate</b>	

	COMPLIANT/NON-COMPLIANT	ADDITIONAL INFORMATION	EXPLANATION
Report consistent with ASEAN Corporate Governance Scorecard (ACGS) and the Revised Corporation Code		<b>Governance, Nomination and Compensation Committee (CGNC). The review includes an assessment of the appropriateness of the Remuneration system and alignment with legal and regulatory requirements.</b>	
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.	Compliant	<p><b>For Senior Management or Mancom members or key Function Holders, the Company applies specific compensation principles with regard to performance measurement as well as deferral and downloads adjustments of variable Compensation. The implementation of these principles shall be guided by the principle of proportionality.</b></p> <p><a href="#">Annual Report, page 25</a></p>	
Company discloses the remuneration on an individual basis, including termination and retirement provisions.		<p><b>The remuneration structures of the Board take into account the individual functions and responsibilities of the Board members such as Chairman, Vice-Chairman, or Committee Mandates.</b></p> <p><b>Each member of the Board shall be entitled to receive compensation (per diem) and an annual bonus for service rendered as Director. The attending directors/advisors shall only be entitled to per diem for meetings that constitute a quorum. All fees are net or after applicable withholding tax.</b></p>	



	COMPLIANT/NON-COMPLIANT	ADDITIONAL INFORMATION	EXPLANATION
		<p>The Board received a total of Php 9,941,400.47 representing per diems and bonuses for the year 2020.</p> <p><a href="#">See page 25 of the Annual Report</a></p>	
Recommendation 8.5			
<p>Company discloses its policies governing Related Party Transactions (RPTs) and other unusual or infrequently occurring transactions</p>	Compliant	<p><b>The Related Party Transaction policy of the company recognizes the importance of establishing and maintaining policies and procedures governing transactions between related parties to ensure that these are only undertaken on an arm's length basis for the financial, commercial, and economic benefit of the Company and the entire group to which the Company belongs. It provides that the COMPANY shall identify and prevent or manage potential or actual conflicts of interest which may arise. Directors and officers with personal interest in the transaction shall abstain from the discussion, approval and management of such transaction or matter affecting the COMPANY. Employees, Officers or directors who have been remiss in their duties in handling RPTs shall be dealt with in accordance with the Code of Business Conduct.</b></p> <p>The Board, through the RPT Committee (RPTC), exercises appropriate oversight in the implementation of these guidelines. <a href="#">(See page 26 of the Annual Report)</a></p>	

	COMPLIANT/NON-COMPLIANT	ADDITIONAL INFORMATION	EXPLANATION
		<b>RPT disclosures are discussed in the <a href="#">Audited Financial Statement</a>.</b>	
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.	Compliant	<b>RPT disclosures are discussed in the company's <a href="#">Audited Financial Statement</a>.</b>	
<b>Recommendation 8.7</b>			
Company's Corporate Governance Policies programs and procedures are contained in its Manual on Corporate Governance (MCG)	Compliant	<b>Please see link to the <a href="#">Corporate Governance Manual</a>.</b>	
Company's MCG is posted on its company website.	Compliant	<b>Please see link to the company's <a href="#">Corporate Governance page</a> where the Corporate Governance manual is posted.</b>	
<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>			
Audit Committee has a robust process for approving and recommending the appointment, reappointment, removal, and fees of the external auditors.	Compliant	<b>Please see <a href="#">page 3 of the Audit, Compliance, and Risk Management Committee Charter</a>.</b>	
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	<b>In June 2020 ASM, a total of 23,750 votes or 100% of shares present ratified the appointment of PwC (Isla Lipana &amp; Co.), the company's external auditor.</b>  <b>Please see portion of the <a href="#">minutes of the meeting last in June 2020</a>.</b>	

	COMPLIANT/NON-COMPLIANT	ADDITIONAL INFORMATION	EXPLANATION
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.	Not applicable	<b>The company has not removed yet any external auditor.</b>	
<b>Recommendation 9.2</b>			
Audit Committee charter includes the Audit Committee's responsibility on : i. assessing the integrity and independence of external auditors; ii. exercising effective oversight to review and monitor the external auditor's independence and objectivity; and iii. Exercising effective oversight to review and monitor the effectiveness of the audit process, taking into consideration relevant Philippine professional and regulatory requirements.	Compliant	<b>The responsibilities of the Audit function are provided in the Audit, Compliance and Risk Committee Charter. (ACRMC)</b>  Please see link to the <a href="#">ACRMC Charter</a> .	
Audit Committee Charter contains the Committee's responsibility on reviewing and monitoring the external auditor's suitability and effectiveness on an annual basis.	Compliant		
<b>Recommendation 9.3</b>			
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,	Compliant	<b>No non-audit services were performed by the external auditor in 2020.</b>  <a href="#">See page 26 of the Annual Report.</a>	
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	<a href="#">Section VIII.2, Page 23 of the Corporate Governance manual</a> provides that the External Auditor of the Company shall not at the same time provide internal audit services to the Company. Non-audit work may be given to the external Auditor provided it does not conflict with his duties as an	

	COMPLIANT/NON-COMPLIANT	ADDITIONAL INFORMATION	EXPLANATION
		<p>independent auditor or does not pose a threat to its independence.</p> <p>Please see link to the <a href="#">Corporate Governance Manual</a> which provides the same.</p>	
<b><i>Principle 10: The company should ensure that the material and reportable non-financial and sustainability issues are disclosed.</i></b>			
<b>Recommendation 10.1</b>			
<p>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</p>	Compliant	<p><b>Allianz PNB Life believes that high-quality disclosure and transparency is a prerequisite for the exercise of ownership responsibilities by shareholders. It also helps the public understand the Company’s activities, policies, and performance with regard to environmental and ethical standards as well as its relationship with stakeholders and communities affected by its operation. This is likely to lead to a more conducive environment for the adoption of policies oriented towards sustainable growth. See “Disclosure and Transparency” under the Corporate Governance section of the <a href="#">Annual report, page 25</a></b></p>	
<p>Company adopts a globally recognized standard/framework in reporting sustainability and non-financial issues.</p>		<p><b>See Non-Financial and sustainability write up in the Annual Report.</b></p> <p><b><a href="#">Pages 1,2,16 and 17 of the Annual Report.</a></b></p>	

	COMPLIANT/NON-COMPLIANT	ADDITIONAL INFORMATION	EXPLANATION
<b><i>Principle 11: 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.</i></b>			
<b>Recommendation 11.1</b>			
The company should have a website to ensure a comprehensive, cost efficient, transparent, and timely manner of disseminating relevant information to the public.	Compliant	<p><b>The company uses its website, various Social Media platforms such as Facebook, Instagram, LinkedIn, Twitter, YouTube to disseminate relevant information in the public.</b></p> <p>Please see links to the said Social Media pages:</p> <p>Website:  <a href="https://www.allianzpnblife.ph/index.html">https://www.allianzpnblife.ph/index.html</a></p> <p>Facebook:  <a href="https://www.facebook.com/allianzpnblifeofficial/">https://www.facebook.com/allianzpnblifeofficial/</a></p> <p>Instagram:  <a href="https://www.instagram.com/allianzpnblifeofficial/">https://www.instagram.com/allianzpnblifeofficial/</a></p> <p>LinkedIn  <a href="https://www.linkedin.com/company/allianzpnblifeofficial/">https://www.linkedin.com/company/allianzpnblifeofficial/</a></p> <p>Twitter:  <a href="https://twitter.com/azphofficial">https://twitter.com/azphofficial</a></p> <p>You Tube:  <a href="https://www.youtube.com/channel/UCeunCC9Crnn8aVTDfB1C8fA">https://www.youtube.com/channel/UCeunCC9Crnn8aVTDfB1C8fA</a></p>	
<b><i>Principle 12: 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,ed users.</i></b>			
<b>Recommendation 12.1</b>			
Company has an adequate and effective internal control system in the conduct of its business.	Compliant	<b>The Internal Audit Universe is defined and revised annually based on a risk based approach. Allianz uses a five (5) year audit cycle. From the risk</b>	

	COMPLIANT/NON-COMPLIANT	ADDITIONAL INFORMATION	EXPLANATION
		<p>assessment, the annual audit plan is established and approved by the President and CEO and the Audit, Compliance, and Risk Management Committee (ACRMC). The CAE reports on a regular basis to the ACRM on the results of its completed audits including its audit findings and recommendations to improve the company's internal controls. Internal Audit also provides consulting activity to Management to improve the business processes of the organization.</p>	
<p>Company has an adequate and effective enterprise risk management framework in the conduct of its business.</p>	<p>Compliant</p>	<p>The company has a robust risk management framework which implements an Internal Risk Control System) reviewed periodically and a risk management team which directly report to the ACRMC.</p> <p>With the RBC (Risk-Based Capital) 2 Framework being the binding regulatory regime since 2017, risks are primarily measured and steered based on the risk profile underlying our regulatory capital requirement. In adherence with the Allianz Group's capital management philosophy, capitalization limits and alert levels are defined and adopted based on the results of stress testing exercises,</p>	

	COMPLIANT/NON-COMPLIANT	ADDITIONAL INFORMATION	EXPLANATION
		<p>ensuring us ample room to maneuver even during adverse scenarios.</p> <p>The top risk in terms of contribution to the Company's regulatory risk profile is market risk, arising from a mismatch in the durations of our assets and liabilities, making our surplus position sensitive to movement in interest rates. This is expected to persist given the long-dated liabilities in our Life and Health business segments, which cannot be perfectly matched by available and permitted investments. Our asset/liability management, strategic asset allocation, and capital management processes constantly seek to minimize exposure to this risk through the regular monitoring, evaluation, and forecasting of asset/liability emergence and of reinvestment opportunities.</p> <p>See Risk Management section of the <a href="#">Annual Report, pages 18-19</a>.</p>	
Recommendation 12.2			
<p>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.</p>	Compliant	<p>The Company has an Internal Audit Department whose main function is to provide an independent, objective assurance and consulting activity designed to add value and improve Allianz PNB Life's operations. It accomplishes its objectives by bringing</p>	

	COMPLIANT/NON-COMPLIANT	ADDITIONAL INFORMATION	EXPLANATION
		<p>a systematic, disciplined approach to evaluate and improve the effectiveness of risk management, control, and governance processes. It is headed by a Chief Audit Executive (CAE) appointed by the Board of Directors. To maintain its independence, the CAE reports functionally directly to the Audit, Compliance, and Risk Management Committee (ACRMC) and administratively to the President and CEO.</p> <p>Based on the company's Audit Policy, outsourcing of the Internal Function to external providers is not permitted; any exception must be pre-approved in writing by the Head of Group Audit.  <a href="#">See page 26 of the Annual Report</a></p>	
Recommendation 12.3			
The company has a qualified Chief Audit Executive (CAE) appointed the Board	Compliant	<p>The Internal Audit function of the company is headed by Mr. Gregorio Balatan Jr. He is a Certified Internal Auditor (CIA) and a Certified Public Accountant (CPA). He has over 19 years of experience in the field of Internal Auditing gained from Banking, Telecommunications, Distribution, and Insurance.</p>	
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	<p>Please see "Audit" under the Corporate Governance section of the <a href="#">Annual Report, page 26</a>.</p>	



	COMPLIANT/NON-COMPLIANT	ADDITIONAL INFORMATION	EXPLANATION
<p>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><b>Based on the company's Audit Policy, outsourcing of the Internal Function to external providers is not permitted; any exception must be pre-approved in writing by the Head of Group Audit.</b></p> <p>The company has an Internal Audit function headed by Mr. Gregorio Balatan Jr. He is a Certified Internal Auditor (CIA) and a Certified Public Accountant (CPA).</p> <p>His profile is provided in the <a href="#">Annual Report, page 26</a></p>	
<p>Recommendation 12.4</p>			
<p>The company has a separate risk management function to identify, assess and monitor key risk exposures.</p>	<p>Compliant</p>	<p><b>Allianz PNB Life adopts a strong risk culture, supported by a robust risk governance and control structure that adheres to international standards.</b></p> <p>The general responsibilities of the Risk Management function include identifying the key risk exposures, assessing and measuring the extent of exposures, monitoring and determining the corresponding capital requirement in accordance with regulatory and internal capital adequacy assessment and provide advice whether particular risks are acceptable and consistent with board approved policies on risk tolerance and the effectiveness of corresponding risk mitigation measures. These are being</p>	

	COMPLIANT/NON-COMPLIANT	ADDITIONAL INFORMATION	EXPLANATION
		<p>reported to the Board and Senior management on a regular basis.</p> <p>See <a href="#">Annual Report, pages 18-19</a>.</p>	
<b>Recommendation 12.5</b>			
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).	Compliant	<p>Lukas Immanuel Cayanan is the Chief Risk Officer of Allianz PNB Life. He graduated Magna Cum Laude with a Bachelor degree in Economics, at University of the Philippines. He also holds a Master's Degree in Applied Mathematics in UP. Lukas has over 12 years of work experience in Pricing, Actuarial Valuation and Business Analysis, Financial Risk and Product Management from the top insurance companies in the Philippines.</p> <p>His profile is provided in <a href="#">page 19 of the Annual Report</a>.</p>	
CRO has adequate authority, stature, resources and support to fulfill his/her responsibilities.	Compliant		

***Cultivating a Synergic relationship with Shareholders***

***Principle 13: The company should treat all shareholders fairly and equitably, and also recognize, protect and facilitate the exercise of their rights..***

	COMPLIANT/NON-COMPLIANT	ADDITIONAL INFORMATION	EXPLANATION
<b>Recommendation 13.1</b>			
Board ensures that basic shareholder rights are disclosed in the Manual on Corporate Governance,	Compliant	<p>Basic Shareholder rights are provided on <a href="#">pages 27-28 of the Company's Corporate Governance Manual</a>.</p>	

	COMPLIANT/NON-COMPLIANT	ADDITIONAL INFORMATION	EXPLANATION
Board ensures that basic shareholder rights are disclosed on the company's website.	Compliant	<p><b>Basic Shareholder rights are provided on <a href="#">pages 27-28 of the Company's Corporate Governance Manual</a> which is published in the website.</b></p> <p>See link to company's website.</p>	
<b>Recommendation 13.2</b>			
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	<p><b>The Notice of the ASM was sent 21 days before June 3, 2020 which is on May 13, 2020. Please see link to the <a href="#">Notice of the 2020 ASM</a>.</b></p> <p>Notice of the ASM was sent 21 days before April 14 which is on March 24, 2021. Please see link to the <a href="#">Notice of 2021 ASM</a>.</p>	
<b>Recommendation 13.3</b>			
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.	Compliant	<p>Reference to <a href="#">IC Circular Letter No. 2015-23</a> this standard is not applicable for Class 2 Insurance Companies.</p> <p>However, reference to <a href="#">IC CL 25-2006</a>, the company is compliant to submitting the Minutes of the ASM to the Insurance Commission within 30 days after the meeting.</p> <p><a href="#">See link to the link to minutes of meeting in the company website.</a></p> <p><a href="#">Proof of submission</a></p>	
Minutes of the Annual and Special Shareholders' Meetings are available on the company website within five business days from the end of the meeting.	Compliant	Reference to <a href="#">IC Circular Letter No. 2015-23</a> this standard is not applicable for Class 2 Insurance Companies.	

	COMPLIANT/NON-COMPLIANT	ADDITIONAL INFORMATION	EXPLANATION
		<p>However, reference to <a href="#">IC CL 25-2006</a>, the company is compliant to submitting the Minutes of the ASM to the Insurance Commission within 30 days after the meeting.</p> <p><a href="#">See link to the link to minutes of meeting in the company website.</a></p> <p><a href="#">Proof of submission</a></p>	
Recommendation 13.4			
Board has an alternative dispute mechanism to resolve intra-corporate disputes in an amicable and effective manner	Compliant	<p><a href="#">Pages 14, 16 and 18 of the Corporate Governance Manual</a> discuss the Board</p>	
The alternative dispute mechanism is included in the company's Manual on Corporate Governance.	Compliant	<p><b>and Directors' responsibility to maintain an alternative dispute resolutions system that can amicably settle conflicts or differences between the Company and its stakeholders and third parties, including the regulatory authorities.</b></p> <p>Directors should, whenever possible, avoid situations that would give rise to a conflict of interest. If transactions with the institution cannot be avoided, it should be done in the regular course of business and upon terms not less favorable to the institution than those offered to others.</p> <p>Any question about the Director's actual or potential conflict of interest shall be brought promptly to the attention of the Corporate Governance /Nomination Committee (CGNC), which will review the question and</p>	

	COMPLIANT/NON-COMPLIANT	ADDITIONAL INFORMATION	EXPLANATION
		determine appropriate course of action including whether consideration or action by full Board is necessary. Directors involved in any conflict or potential conflict shall disassociate themselves from any decision thereto.	

***Duties to Stakeholders***

***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.***

	COMPLIANT/NON-COMPLIANT	ADDITIONAL INFORMATION	EXPLANATION
Recommendation 14.1			
Board identifies the company's various stakeholders and promotes cooperation between them and the company in creating wealth, growth and sustainability.	Compliant	Allianz SE is our parent company. It is headquartered in Munich, Germany and has over 150,000 employees worldwide. <a href="#">(Page 2 of the Annual Report)</a>	

	COMPLIANT/NON-COMPLIANT	ADDITIONAL INFORMATION	EXPLANATION
		Various company policies and programs for its employees are provided in the <a href="#">Annual report. (see pages 12-17)</a>	
<b>Recommendation 14.2</b>			
Boards establishes clear policies and programs to provide a mechanism on the fair treatment and protection of stakeholders,	Compliant	<p><b>To ensure health, safety and welfare of employees, customers and business partners, the company provides various policies as follows:</b></p> <ol style="list-style-type: none"> <li>1. Occupational Health and Safety Policy Program</li> <li>2. Policy on Training and Development</li> <li>3. Employee Rewards and Recognition</li> <li>4. Group Medical Plan</li> <li>5. Code of Office Decorum Policy</li> <li>6. Whistleblowing Policy</li> <li>7. Vendor Code of Conduct</li> <li>8. Procurement Policy</li> <li>9. Creditor's Rights</li> </ol> <p>The company also provides top-level support of various initiatives to ensure that the employee engagement results are addressed. List of well-being, mental health programs, employee engagement activities, employee welfare programs are provided in the <a href="#">Annual report</a>.</p> <p>The management has enabled the OSH Committee, the Safety Officer and</p>	

	COMPLIANT/NON-COMPLIANT	ADDITIONAL INFORMATION	EXPLANATION
		<p><b>OH workers to manage and implement education and awareness programs and establish safe work practices, procedures and awareness to occupational health practices. The safety program of the company is explained through the new hire orientation program, periodic safety meetings, OSH awareness campaigns (ex. hazard identification, drug free workplace) and the project safety meetings (ex. Branch construction projects).</b></p>	
<p><b>Recommendation 14.3</b></p>			
<p>Board adopts a .e., name of 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><b>Allianz PNB Life Guideline on Whistleblowing aims to ensure that illegal or improper conduct within the Company or in the name of an Allianz entity can be addressed appropriately within Allianz. This protects Allianz and its subsidiaries, employees, and other stakeholders globally from the results and effects of illegal or improper conduct.</b></p> <p>Allianz PNB Life encourages its Employees to speak-up and report any possible misconduct they believe violates the Code of Conduct, any laws and regulations or any internal rules. Such concerns may be communicated through the Speak up facilities, to their line manager, Legal and Compliance, Audit, HR, Group Compliance or Senior management.</p>	

	COMPLIANT/NON-COMPLIANT	ADDITIONAL INFORMATION	EXPLANATION
		<p>Allianz does not tolerate retaliation in any form. As long as the concerns are raised in good faith, even if it turns out the person who reported was mistaken, he will not face negative consequences for speaking up.</p> <p>Speak up facilities maintained by Allianz PNB Life are as follows:</p> <p>a. <a href="mailto:Ethics.hotline@allianzpnblife.ph">Ethics.hotline@allianzpnblife.ph</a>  b. <a href="mailto:Compliance@allianz.com">Compliance@allianz.com</a>  c. Call (02) 8555-4979</p> <p>Concerns and complaints may likewise be directed to the following contact details:</p> <p>Office Address:  9th Floor, Allied Bank Center  6754 Ayala Avenue corner Legaspi Street  Makati City, Philippines</p> <p>CUSTOMER HELPLINE: 8818-4357 (HELP)  HEAD OFFICE TRUNKLINE: 8818-5433 (LIFE)  FAX: 8818-2701  Domestic Toll Free Number: 1-800-10-818-4357 MAKATI CENTRAL OFFICE  P.O. BOX 3191</p> <p><a href="#">See page 29 of the Annual Report</a></p>	

*Principle 15 : A mechanism for employee participation should be developed to create a symbolic environment, realize the company's goals and participate in its corporate governance processes*



	COMPLIANT/NON-COMPLIANT	ADDITIONAL INFORMATION	EXPLANATION
	COMPLIANT/NON-COMPLIANT	ADDITIONAL INFORMATION	EXPLANATION
<b>Recommendation 15.1</b>			
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	<p><b>The company holds Quarterly Town Halls, Objectives and Key Results (OKR) Rally, and Purpose Strategy Day. This way, employees are informed about the business updates likewise encouraged active participation in achieving the company goals and objectives.</b></p> <p>Please see <a href="#">page 14 of the Annual Report</a>.</p>	
<b>Recommendation 15.2</b>			
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	<p><b>Our corporate reputation is based on the trust that our clients, shareholders, employees and the general public place on the integrity of Allianz PNB Life. The Allianz PNB Life Code of Conduct for Business Ethics and Compliance contains strict prohibition against corruption and bribery. We are also committed to complying fully with local and international anti-corruption and anti-bribery laws as part of our efforts to maintain strong and effective compliance controls. This includes our strict prohibition against the offer, acceptance, payment or authorization of any bribes and any other form of corruption, whether given in the private sector or to a local or foreign government official in the public sector. We also demand transparency</b></p>	

	COMPLIANT/NON-COMPLIANT	ADDITIONAL INFORMATION	EXPLANATION
		<p>and integrity in all of our business dealings to avoid any improper advantage or the appearance of questionable conduct by our employees or third parties with whom Allianz PNB Life does business.</p> <p>The Allianz Anti-Corruption Policy is one of the key components of the Global Anti-Corruption Program. Together, the Program and the Policy connect a number of related policies and controls designed to help Allianz PNB Life effectively manage key risk areas for corruption in both the public and private sector.</p> <p>Please see <a href="#">page 27 of the Annual report</a>.  <a href="#">Link to Code of Conduct</a>  <a href="#">Link to Anti- Corruption Policy</a></p>	
<p>Board disseminates the policy and program to the employees across the organization through trainings to embed them in the company's culture.</p>	<p>Compliant</p>	<p><b>Training and development play an important role in the effectiveness of organizations and to the experiences of people in work .</b></p> <p>All newly hired employees are shall undergo orientation program which includes topics regarding the company profile, mission and vision, organizational chart, company benefits and company policies. Eligibility to technical and Company sponsored training along the line of employee's present job or to some other lines where he will be transferred or</p>	

	COMPLIANT/NON-COMPLIANT	ADDITIONAL INFORMATION	EXPLANATION
		<p>promoted, shall be provided upon the recommendation of his immediate superior and as approved by the CEO. The company also offers continuous access to LinkedIn Learning to hone our employees' soft and hard skills.</p> <p>Mandatory trainings for employees are aligned with Technical Excellence, Customer Centricity, Objectives and Key Results, Work-well /Working Remotely and Leadership pillars. The company also offers Life and Health Academy programs wherein we get our employees up to speed in vital areas such as underwriting, pricing, product development, and overall technical excellence.</p> <p>Please <a href="#">see pages 11 and 15 of the Annual Report.</a></p>	
<b>Recommendation 15.3</b>			
Board establishes a suitable framework for whistleblowing that allows employees to freely communicate their concerns about illegal and unethical practices, without fear of retaliation.	Compliant	<p><b>Allianz PNB Life believes that good corporate governance is the responsibility of everyone. Disclosure and transparency are not only expected of the Company, its officers, and employees, but for the stakeholders as well. As such, we provide an avenue for all customers and stakeholders to offer feedback about the Company and its operations through Speak-up, an Allianz PNB Life Guideline on Whistleblowing. This is to ensure that illegal or improper conduct</b></p>	
Board establishes a suitable framework for whistleblowing that allows employees to have direct access to an independent member of the Board or a unit created to handle whistleblowing concerns.	Compliant		

	COMPLIANT/NON-COMPLIANT	ADDITIONAL INFORMATION	EXPLANATION
		<p>within the Company or in the name of an Allianz entity can be addressed appropriately within Allianz. This protects Allianz and its subsidiaries, employees, and other stakeholders globally from the results and effects of illegal or improper conduct.</p> <p>Allianz does not tolerate retaliation in any form. As long as the concerns are raised in good faith, even if it turns out the person who reported was mistaken, he will not face negative consequences for speaking up. In order to help in supporting investigations, and to maintain communication, Allianz PNB Life employees are encouraged to disclose their identity with the assurance it will be handled with the highest degree of confidentiality.</p> <p>The accused or involved employee shall have an opportunity to respond to the allegations in person prior to any kind of decision/ disciplinary measures. Any major case (i.e allegation against CEO, CFO, or other executives reporting to the Board) shall be forwarded to the Group or Regional Compliance of Allianz.</p> <p>Speak up facilities maintained by Allianz PNB Life are as follows:</p> <ul style="list-style-type: none"> <li>a. <a href="mailto:Ethics.hotline@allianzpnblife.ph">Ethics.hotline@allianzpnblife.ph</a></li> <li>b. <a href="mailto:Compliance@allianz.com">Compliance@allianz.com</a></li> <li>c. Call (02) 8555-4979</li> </ul>	

	COMPLIANT/NON-COMPLIANT	ADDITIONAL INFORMATION	EXPLANATION
		<p>Concerns and complaints may likewise be directed to the following contact details:</p> <p>9th Floor, Allied Bank Center 6754 Ayala Avenue corner Legaspi Street Makati City, Philippines</p> <p>CUSTOMER HELPLINE: 8818-4357 (HELP) HEAD OFFICE TRUNKLINE: 8818-5433 (LIFE) FAX: 8818-2701 Domestic Toll Free Number: 1-800-10-818-4357 MAKATI CENTRAL OFFICE P.O. BOX 3191</p> <p>Email: <a href="mailto:info@allianzpnblife.ph">info@allianzpnblife.ph</a></p>	
<p>Board supervises and ensures the enforcement of the whistleblowing framework.</p>	<p>Compliant</p>	<p>The Whistleblowing policy is presented and approved by the Board of Directors and Management Committee. This policy is disseminated to all employees and is explained to all new hires at the required onboarding seminars. Likewise, the highlights of the policy are in the annual report which is published in the website.</p> <p>See <a href="#">page 29 of the Annual report</a>.</p> <p>See copy of <a href="#">Statement of Compliance</a> template. This serves as proof of dissemination and understanding of</p>	

	COMPLIANT/NON-COMPLIANT	ADDITIONAL INFORMATION	EXPLANATION
		the Code and other related/relevant policies.	

***Principle 16 : 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.***

	COMPLIANT/NON-COMPLIANT	ADDITIONAL INFORMATION	EXPLANATION
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.	Compliant	<p><b>Despite the COVID-19 global pandemic in 2020 which led to lockdown restrictions and affected our ability to mobilize for staff volunteerism activities, we were able to assist our local communities and demonstrate our sustainability commitment through hosting of the following activities:</b></p> <ol style="list-style-type: none"> <li>1. Ride Safe Movement campaign in October 2020</li> <li>2. Allianz Kaagapay, August to December 2020</li> <li>3. Bayanihan for Frontliners in April 2020</li> <li>4. Allianz World Run: Fitness for a Cause from July to October 2020</li> </ol> <p>Please see <a href="#">pages 16-17 of the Annual report.</a></p>	