

2019 CORPORATE GOVERNANCE REPORT

(This Report is in support of the responses of AIG Philippines Insurance, Inc.
in the ASEAN Corporate Governance Scorecard for 2019)

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Preliminary remarks

This **2019** Corporate Governance Report is prepared by AIG Philippines Insurance, Inc. (“AIG Philippines” or “Company”) in line with the adoption of the ASEAN Corporate Governance Scorecard by the Insurance Commission¹.

To avoid duplication of information, cross-referencing is made in some sections to the **2019 Audited Financial Statement and 2019 General Information Sheet** as well as the Amended Articles of Incorporation and Amended By-laws of AIG Philippines whose full text can be accessed on the Corporate Governance page of the Company’s website at <http://www.aig.com.ph>

1. Company Structure

1.1. AIG Philippines, a subsidiary of AIG, Inc.

AIG Philippines is a subsidiary of the American International Group, Inc., (“AIG, Inc.”), a company organized under the laws of the USA. AIG, Inc. is a leading international insurance organization serving customers in more than 100 countries and jurisdictions. For more information on AIG, Inc., you may visit www.aig.com

1.2. Shareholding Structure

AIG Philippines is a domestic corporation under Philippine laws although its shareholders are all foreign corporations. As **of 31 December 2019, the Company is 99% owned by AIG Asia Pacific Insurance Pte. Ltd.** The members of the Board of Directors only hold qualifying shares in the Company².

The Company has not undergone any extraordinary transactions such as mergers, acquisitions and/or takeovers.

2. Shareholders

Please refer to the 2019 General Information Sheet for the list of stockholders as of the date of the Annual Stockholders Meeting held on **20 March 2019**.

2.1. Right to Vote

Sec.2, Art. II of the Company’s By-laws, as amended, entitles each stockholder to one vote for each share of stock standing in his name on the books of the Company.

In the election of directors, each stockholder is entitled to cumulate his votes in the manner prescribed by law.

Each stockholder, as a matter of right, can nominate candidates for board of directors.

¹ IC Circular Letters No. 14-2013 dated 3 May 2013 and No. 2015-23 dated 8 May 2015.

² 2019 Audited Financial Statement and 2019 General Information Sheet

3. Board of Directors

3.1. Members of the Board of Directors

Name	Position	Nationality	Date of First Appointment
*Roberto Romulo	Chairman	Filipino	21 June 2000
Mark Lwin	President & CEO	American	1 July 2013
Jeffrey R. Lacson	Member	Filipino	21 March 2018
Michael Florencio De Leon	Member	Filipino	29 July 2016
Leilani T. Isidro	Member	Filipino	21 March 2018
*Emmanuel Bautista	Member	Filipino	8 August 2014
*Rene Buenaventura	Member	Filipino	8 August 2014

**Independent Director*

3.2. Professional Background

Roberto Romulo

Education

He is a graduate of Georgetown University with a degree in Bachelor of Arts in Political Science and the Ateneo de Manila University with a degree in Bachelor of Laws.

Experience

He is the incumbent Chairman of the Board of Directors of AIG Philippines Insurance, Inc.

He is likewise the Chairman of PETNET Inc., MediLink Network Inc., and Nationwide Development Corporation (NADECOR).

He also holds board memberships in the following corporations: A. Soriano Corporation, Philippine Long Distance Telephone Co (PLDT), Equicom Savings Bank, Robinsons Retail Holdings, Inc., Maxicare Healthcare Corporation, and McLarty Associates (formerly Kissinger McLarty Associates).

He began his professional career at IBM Corp. in New York City in 1965. During this time, he held various marketing and management positions in New York, Thailand (Managing Director) and the Philippines (President and GM).

He joined government service in June 1989 when he was appointed Ambassador to Belgium, Luxembourg and the Commission of the European Communities. In 1992, he was appointed Foreign Minister. In 1995, he rejoined the private sector and was elected as Chairman of PLDT, and Vice-Chair of San Miguel International.

He was Chairman of Interpharma Investments Ltd. (Zuellig Pharma) from 1997 to 2007. He was a board member of MIH (a subsidiary of NASPERS, a South African Company) from 2002 to 2013). From 2003 to 2010, he was an independent director of Singapore Land and UIC.

In 1996, he was the founding chairman of the APEC Business Advisory Council and continued as chairman of the Philippine Representation until 2010. From 1999 to 2001, he was chairman of the e-ASEAN Task Force. From January 2001 to January 2007, he was pro-bono senior advisor (on international competitiveness) to former President Gloria Arroyo.

He is the Chairman of the Board of the following non-profit foundations: Carlos P. Romulo Foundation for Peace and Development, Zuellig Family Foundation, Foundation for IT Education and Development (FIT-ED), Philippine Foundation for Global Concerns and Asia-Europe Foundation of the Philippines. He is an Honorary Adviser of the Asia New Zealand Foundation and a trustee of the US-Philippines Society.

As a diplomat, he has been decorated by the Governments of Belgium, Thailand, Spain, Chile, France and the Philippines.

Mark Lwin

Education

He has MBA and MA degrees from The George Washington University, Washington, D.C and holds a BA degree from the University of Texas at Austin, Texas.

Experience

He is currently the President and CEO of AIG Philippines Insurance, Inc.

Previously, he was the CEO of AIG Shared Services (Malaysia) ("AIGSS Malaysia"). During his tenure, AIGSS Malaysia grew from new entrant to 1,000+ employees in three (3) years. AIGSS Malaysia was able to provide high-value insurance, administrative, and financial services to AIG companies around the globe. He also became the Senior Vice-President of the General Insurance Operations for AIG Shared Services Corporation (Philippines) ("AIGSS Philippines"). He led the growth and transformation of the delivery center in AIGSS Philippines into a global, shared services center during his six-year tenure in Philippines.

He has more than 25 years of management experience in the USA and international businesses. He led operations for a US healthcare information technology company, was a Six Sigma Black Belt for GE Capital, and was an officer in the US Marine Corps.

Jeffrey R. Lacson

Education

He graduated from San Sebastian College with a Bachelor of Science degree in Accountancy. He completed Management Development Program at the Insurance Institute of Asia and the Pacific. He was also a National Scholar for the ASEAN School for Young Insurance Manager.

Experience

He is currently the Senior Vice President and Chief Finance Officer of AIG Philippines Insurance, Inc. He oversees the finance function of the organization covering controllership, investment, treasury and financial planning, and analysis. On top of local finance processes undertaken in-country, he also has oversight on the functions that are done in the AIG Finance Centres in India that relate to the Philippine business.

Jef joined AIG in 2018. Previously, he served as CFO – Emerging Markets (Asia Pacific - Philippines) for QBE Insurance, and prior to that role was Vice President & Head of Finance of Nat-Re Philippines, where he also headed other functions in Audit, Compliance, IT and Projects.

His professional career started with KPMG in 2006, where he was Associate Manager for Risk Advisory/Performance & Technology. His

involvement with various high-profile engagements and clients gave him the opportunity to work outside the country through inter-firm engagements with Malaysia, Hong Kong and Singapore.

A Certified Public Accountant, Certified Information Systems Auditor, Certified Internal Auditor, Certified Lean Six Sigma Greenbelt Candidate, and a CII (Award) designee, he has a degree in Accountancy from San Sebastian College. Currently, he is finishing his Master's Degree in Business Economics from the University of Asia and the Pacific.

Michael Florencio De Leon

Education

He graduated from the University of Santo Tomas Manila with a degree in B.S. Industrial Engineering.

Experience

He is currently the Senior Assistant Vice President for Property & Special Risks department in AIG Philippines. He oversees the underwriting operations as well as managing the profitability of Commercial Property, Energy & Engineered Risks, Marine, and other special risk coverage attached to each line of business. His territorial scope is Philippines and Guam.

He joined AIG in 2002. Prior to this, he worked for Ultramar Reinsurance Brokers Inc. (Member of Zuellig Group of Companies) as a reinsurance broker; San Miguel Corporation and KIB Risk Consultants (for the Kuok Group) as a risk management practitioner; and Commercial Union Assurance Company as property & engineering underwriter. He started his risk management and insurance career with AIU Philippines as a risk engineer way back in 1981.

His risk management and insurance career included stints in associated organizations such as the Insurance Institute for Asia and the Pacific (IIAP) as resource speaker on Risk Management and Engineering Insurance; Philippine Insurers Club (PIC), an esteemed Philippine insurance organization, as Director and Member; and the Society of Underwriters of the Philippines (SOUND) as member.

Leilani T. Isidro

Education

She has a Bachelor's degree in Business Administration, Major in Marketing, from the Pamantasan ng Lungsod ng Maynila where she graduated Cum Laude. In addition, she is an Associate Certified Insurance Professional at the Australian and New Zealand Institute of Insurance and Finance.

Experience

She is currently the Head of Liabilities and Financial Lines, overseeing the company's Casualty and Financial Lines insurance portfolio in the Philippines.

Leilani started working in the insurance market in 2002 as a Financial Lines Underwriter for Philam Insurance Company. She rejoined AIG in 2012 following her stint with other multinational insurance companies and brought with her a wider experience and expertise in the Financial Lines business.

She has launched cutting edge AIG products and promoted AIG thought leadership on innovative Financial Lines Products since her return to AIG and took on an expanded role as the Head of Liabilities and Financial Lines in October 2016. With her new role, she oversees the Casualty lines as well and ensures the growth and profitability of the synergy between these two product towers.

Emmanuel Fernando Bautista

Education

He is a graduate of the Ateneo de Manila University, with a Bachelor of Science degree in Management Engineering. He completed his Master's in Business Administration at Georgetown University in Washington D.C., USA.

Experience

Currently, he is the Chairman and President of Deutsche Regis Partners, Inc., an affiliate of the Deutsche Bank Group, where he has worked since 1994. He also holds directorships in the following companies: Philippine Stock Exchange Inc., Securities Clearing Corporation of the Philippines, Philippine Depository Trust Corporation, and Ketmar, Inc.

Previous professional positions include: Financial Analyst at Philippine American Investments Corporation from 1982 to 1984, Manager of International Audit Group at

PepsiCo., Inc. in New York from 1986-1988, and the Head of Strategic Planning of PepsiCo Philippines from 1989 to 1994.

Rene J. Buenaventura

Education

He is Certified Public Accountant and graduated Summa Cum Laude for Bachelor of Arts, Major in Behavioral Sciences and Bachelor of Science in Commerce in De La Salle University in the Philippines. He also earned his Master's in Business Administration from the same university.

Experience

He is the incumbent Vice Chairman of Equicom Manila Holdings, Inc., a holding company for businesses engaged in healthcare, banking and finance and information technology.

He is a banker by profession and was previously the President of Equitable PCI Bank, the third largest bank in the Philippines before its merger with Banco de Oro in 2006. He also held the following positions: Independent Director of UBS Philippines, Inc., Director and Member of the Executive Committee of Maxicare Healthcare Corporation, Vice Chairman of Algo Leasing and Finance Company, and President of Cliveden Management Corporation.

3.3. Independent Directors

As of the 2019 Annual Stockholders Meeting of AIG Philippines, out of the 6 members of the Board, 3 are independent directors: (1) Mr. Roberto R. Romulo, Chairman of the Board; (2) Mr. Emmanuel Fernando O. Bautista; and (3) Mr. Rene J. Buenaventura.

As independent directors, they are not employees of any of the subsidiaries or affiliates of AIG, Inc. and they are independent of the Company's management and substantial shareholders.

3.3.1. Business Relationships

As matter of policy across all AIG entities, including AIG Philippines, all candidates for independent director are screened and evaluated by AIG. One of the screening questions is to indicate any entity of which the candidate is serving or has served as a director or trustee of such entity whether publicly listed or not.

The current independent directors of the Company do not hold more than five board seats in any publicly-listed companies.

Kindly refer to the Professional Background of the independent directors in Item 3.2 of this Report for the list of the entities where they are serving or had served as director.

As regards the non-independent directors of the Company, they do not serve on any board of a publicly listed company.

3.4. Election and Term of Office

The members of the Board of Directors are elected at the annual meeting of the stockholders to serve until their successors have been elected and have been qualified³.

In compliance with the regulation⁴ of the Insurance Commission, effective in December 2014, no independent director can serve for more than 5 consecutive years. After the 5-year period, the independent director is ineligible for election unless the independent director has undergone a cooling off period of 2 years. After such cooling off period, the independent director is eligible to serve for another 5 consecutive years. After serving as independent director for 10 years, the independent director is perpetually barred from being elected as such in the Company.

3.5. Roles and Responsibilities of the Board

As provided under the Company's by-laws, the corporate powers of the corporation are exercised, and the property and business of the corporation are managed, by the Board.

The types of decisions requiring board approval can be gleaned from the excerpt of the Minutes of the Board of Directors Organizational Meeting held on **20 March 2019**. The excerpt is found in Appendix A of this Report.

Also, the BOD monitors and oversees the implementation of the Company's strategy in 2019 in line with the Global business strategy of AIG, Inc. This can be gleaned from the excerpt of the Minutes of the Board of Directors Organizational Meeting held on **20 March 2019**. The excerpt is found in Appendix A of this Report.

3.5.1. Chairman of the Board

The elected Chairman of the Board during the BOD Organizational Meeting held on **20 March 2019** is Mr. Roberto Romulo, an Independent Director. The role of Chairman of the Board and CEO are assumed by different persons. The Company's CEO is Mr. Mark Lwin.

The Chairman of the Board has not been the Company's CEO in the last 3 years. Kindly refer to the Company's General Information Sheet for years 2014-2019 as posted in

<https://preview.dmp.aig.net/content/aig/apac/ph/en/corporate-governance.html>

3.6. Code of Business Conduct and Ethics

The Board of Directors of AIG Philippines is expected to adhere to the principles and policies set forth in the AIG Director, Executive Officer and Senior Financial Officer Code of Business Conduct and Ethics ("Code"). This company-wide Code embodies the commitment of American International Group, Inc. and its subsidiaries like AIG Philippines. The full text of AIG Director, Executive Officer and Senior Financial Officer Code of Business Conduct and Ethics can be accessed at the website of AIG, Inc. below:

<https://preview.dmp.aig.net/content/aig/apac/ph/en/corporate-governance.html>

Section XIV of the Code addresses compliance with the Code as well as the reporting procedure for any potential or existing issue or whenever there is doubt in the application of the Code.

4. Board Level Committees

The Company has five (5) board level committees:

- (a) Audit Committee
- (b) Nominating Committee
- (c) Remuneration Committee
- (d) Risk Oversight Committee
- (e) Related Party Transactions Committee

4.1. Committee Charters

The summary of the charters of each board level committee is found in Annex B of this Report.

4.2. Board Committee Membership

The following are appointed by the Board of Directors of AIG Philippines during its organizational meeting held on **20 March 2019**

³ Sec.1, Art.III, By-laws, as amended.

⁴ IC Circular Letter No. 2014-49 dated 11 December 2014 re Term Limits for Independent Directors.

to hold office as chairman and/or member of the committee for one (1) year or until their successors are duly elected and qualified:

(a) Audit Committee

Rene Buenaventura	Chairman
Emmanuel Bautista	
Mark Lwin	

(b) Nominating Committee

Roberto Romulo	Chairman
Rene Buenaventura	
Mark Lwin	

(c) Remuneration Committee

Roberto Romulo	Chairman
Emmanuel Bautista	
Mark Lwin	

(d) Risk Oversight Committee

Rene Buenaventura	Chairman
Emmanuel Bautista	

Mark Lwin	
Jeffrey Lacson	
Michelle Annie Comia-Marasigan	

(e) Related Party Transaction Committee

Roberto Romulo	Chairman
Emmanuel Bautista	
Rene Buenaventura	

Note that the chairman of each committee is an independent director. Further, majority of the membership of the Audit, Remuneration and Nominating Committees are independent directors.

The profile of the members of the Audit Committee is found in Item 3.2 of this Report. Note that Mr. Rene Buenaventura, **chairman** of the Audit Committee and an independent director, has more than sufficient accounting qualification or experience.

5. Meeting of the BOD and Board Level Committees

The scheduling of the meetings of BOD and board level committees was done by the Corporate Secretary of the Company before the start of the year.

5.1. Attendance of the BOD Meetings held in 2019

Attendance of the BOD Meetings held in 2019						
Name of Director	Regular Meeting <u>9 January 2019</u>	Regular Meeting <u>20 March 2019</u>	Organizational Meeting <u>20 March 2019</u>	Special Meeting <u>11 May 2019</u>	Regular Meeting <u>16 August 2019</u>	Regular Meeting <u>24 October 2019</u>
1. Roberto R. Romulo	✓	✓	✓	✓	✓	✓
2. Mark Randall Lwin	✓	✓	✓	✓	✓	✓
3. Jeffrey R. Lacson	✓	✓	✓	✓	✓	✓
4. Michael Florencio R. De Leon	✓	✓	✓	✓	✓	x
5. Rene J. Buenaventura	✓	✓	✓	✓	x	✓
6. Emmanuel Fernando O. Bautista	✓	✓	✓	✓	✓	✓
7. Leilani T. Isidro	✓	✓	✓	✓	✓	✓

5.2. Attendance of the Audit Committee Meetings held in 2019

Attendance of the Audit Committee Meetings held in 2018				
Name of Member	Regular Meeting 9 January 2019	Regular Meeting 20 March 2019	Regular Meeting 16 August 2019	Regular Meeting 24 October 2019
1. Mark Randall Lwin	✓	✓	✓	✓
2. Rene J. Buenaventura	✓	✓	✓	✓
3. Emmanuel Fernando O. Bautista	✓	✓	✓	✓

6. Corporate Secretary

6.1. Corporate Secretary Profile

Ma. Adelina S. Gatdula***Date of First Appointment***

2 June 2009

Education

She obtained her Bachelor of Laws from the University of the Philippines in 1987, and Bachelor of Arts in Economics (cum laude) also from the same university in November 1982.

Experience

She joined Picazo Buyco Tan Fider & Santos Law Office in September 1989 and became a Partner in July 1995. Prior thereto, she worked as a Confidential Attorney of Justice Irene R. Cortes in the Supreme Court.

She represents private companies engaged in real estate development and services, outsource business processing, software development, finance, investment, insurance and insurance brokerage and consultancy, manufacturing and trading, and radio broadcasting, in a wide array of corporate and financial matters, and various condominium corporations and non-government religious and charitable organizations.

6.2. Roles and Responsibilities

In **2019**, the Corporate Secretary played a significant role in supporting the board in discharging its responsibilities.

As mandated by Section 7, Article V of the Company's By-laws, as amended, the

Secretary had attended all meetings of the stockholders, the board, and the board committees of the Company. The Secretary ensured that notices and meeting materials were received by all stockholders or directors at least five business days in advance of the meeting.

7. AIG Corporate Governance Policy

7.1. Adoption of the AIG Corporate Governance Policy

AIG Philippines has adopted the AIG Corporate Governance Policy ("CG Policy") of its parent AIG, Inc.

Also, the Corporate Governance Guidelines of AIG, Inc. effective in March 2016 can be accessed at <http://www.aig.com/about-us/corporategovernance>

7.2. BOD Composition

Under the CG Policy, the composition of the board must reflect the range of skills, knowledge and experience necessary for such board to be effective.

7.2.1. Diversity

AIG Philippines values diversity of experience to meet the board composition requirement in the CG Policy.

7.3. Selection of Directors

Article VI of the Amended Articles of Incorporation of the Company provides that the number of directors shall be 9. As of **31 December 2019**, the Board is composed of 7 members, 4 of whom are employees of AIG and the remaining 3 are independent directors.

The 4 employee-directors were appointed internally while the 3 independent directors were selected in accordance with the screening and approval procedure in the CG Policy.

In appointing independent directors, screening techniques such as conducting interviews and reference checks are conducted. From the shortlisted candidates, the local and the regional management of the Company select one candidate to be appointed.

7.4. Orientation Programmes for Directors

Under Section 4.1.1.4 of the CG Policy, trainings are offered to directors at least once per year and directors must make reasonable efforts to attend at least one training course per year and which may be, from time to time, supplemented with additional appropriate training.

The local legal counsel of AIG Philippines also provides newly appointed directors of the Company with the corporate organizational documents of the Company, the general guidance on fiduciary duties of directors in the Philippines and the AIG Director, Executive Officer and Senior Financial Officer Code of Business Conduct and Ethics. Independent directors are also provided with the AIG Insider Trading Policy and the AIG Code of Conduct.

8. AIG Code of Conduct

AIG, Inc., along with its affiliates and subsidiaries, which includes AIG Philippines, is committed to conducting its business in accordance with the highest ethical standards and in full compliance with all applicable laws and regulations in the United States, the Philippines and in other jurisdictions in which AIG operates or does business.

The full text of the AIG Code of Conduct is available at:

<https://www.aig.com.ph/content/dam/aig/apac/philippines/documents/reports/aig-code-of-conduct.pdf>

and the full text of the AIG Third Party Code of Conduct is accessible at:

<https://www.aig.com.ph/content/dam/aig/apac/philippines/documents/reports/aig-third-party-code-of-conduct.pdf>

8.1. Corporate Objectives

As stated in the AIG Code of Conduct, at the core of AIG's business is a promise to stand behind its products and services. Personal and organizational integrity are critical to delivering on this promise and protecting its reputation.

For more details, refer to page 5 of the AIG Code of Conduct.

8.2. Non-Retaliation Policy and Discipline

The Company prohibits retaliation against any employee for making a good faith report of actual or suspected violation of the AIG Code of Conduct, other AIG Policy, or applicable laws or regulations.

Violation of the AIG Code of Conduct may be a ground for disciplinary action. Failure to promptly report known violations may also be a violation of the Code. This is so as such failure may put AIG's reputation at risk.

For more details, including the reporting procedure for complaints by employees concerning illegal and unethical behavior, refer to pages 7 and 8 of the AIG Code of Conduct.

8.3. Safe, Health and Secure Workplace

The Company is committed to conducting business in a manner that protects the health, safety and security of employees and customers. The Company is also committed to avoiding security breaches, threats, losses and theft and requires that all employees remain vigilant in the workplace and while carrying out AIG business. Employees are required to notify the management of any issue that may impact the Company's security, emergency readiness, or fire and life safety preparedness.

For more details, refer to pages 10 and 11 of the AIG Code of Conduct.

8.4. Addressing Customer Welfare

The Company competes vigorously to create new opportunities for its customers and seeks competitive advantage only through legal and ethical business practices. The Company strives to fulfill its commitments to its customer in the following:

- Customer privacy and data security – AIG Philippines will not compromise a customer's trust by

disclosing Customer Confidential Information.

- Conflicts of interest – Employees always make decisions in the best interest of the Company and its customers, and will not advance personal interest.

For more details on customer welfare, refer to pages 12 to 15 of the AIG Code of Conduct.

8.5. Supplier Diversity and Safeguarding Creditor's Rights

The Company values suppliers that share AIG's dedication and commitment to diversity and social responsibility.

The Company performs appropriate due diligence regarding potential suppliers and independent contractors prior to engaging their services.

In safeguarding the rights of suppliers, third parties, including creditors, the Company is committed to treat them with respect and consideration.

For more details on supplier diversity policy and fair dealing policy of the Company, refer to pages 17 to 20 of the AIG Code of Conduct.

8.5.1. AIG Third Party Code of Conduct

This Third Party Code of Conduct applies to all third parties engaged by AIG Philippines. In addition to the obligations of suppliers (third parties) assume in contractual agreements with the Company, AIG expects all suppliers to meet certain standards and expectations. Among these are supplier's compliance with anti-corruption laws, international economic sanctions laws and regulations, anti-trust and competition laws, anti-money laundering and data privacy and security laws and regulations.

A copy of this Code is provided to all third parties at the time of engagement or within a reasonable time thereafter.

The full text of the AIG Third Party Code of Conduct is available at

<https://preview.dmp.aig.net/content/aig/apac/ph/en/corporate-governance.html>

8.6. Sustainability and Charitable Contributions

AIG's environmental insurance operations lead the way in providing solutions that promote a cleaner and safer environment. AIG insurance businesses have a long history of helping its customers recover from natural disasters.

AIG Philippines give back to the communities it serve by organizing and supporting volunteer activities and outreach programs. AIG also provides its employees with Volunteer Time Off to support activities that enhance and serve communities in which employees work.

For more details on the Company's efforts in promoting sustainable development and in interacting with communities it serves under AIG Code of Conduct, refer to page 25 of the Code.

8.7. Anti-Corruption Programs and Procedures

AIG Philippines employees, agents or independent contractors are prohibited under the AIG Code of Conduct to use improper means to influence another's business judgment. No employee, agent or independent contractor may provide bribes or other improper benefits to another person in order to obtain or retain business or an unfair advantage in any business interaction.

Payments or promises to pay something of value to obtain or retain business or otherwise secure an improper advantage must never be made to a government official or employee. Government officials may include employees of enterprises that are controlled or owned in whole or in part by a government.

Anti-Corruption laws also prohibit the creation of inaccurate or false books and records and they require companies to develop and maintain adequate controls regarding corporate assets and accounting. All employees and officers, no matter where they are located, are required to comply with the U.S. Foreign Corrupt Practices Act, in addition to the anti-corruption laws of the country in which they are located.

Any employee who has knowledge of, or in good faith suspects, a violation of any of these laws, regulations, or Policies must report them promptly to the business unit compliance officer.

For more details on the Company's anti-corruption programs and procedures, refer to page 29 of the AIG Code of Conduct.

8.7.1. AIG Global Anti-Corruption Policy

In addition to the AIG Code of Conduct, the Company also adopted the AIG Global Anti-Corruption Policy. Under the Policy, certain agreements, including agreements to engage third parties that may interact with Governments or Government Officials on AIG's behalf and all joint venture partnerships, shall contain anti-corruption terms and conditions.

Prior to engaging or doing business with a third party or joint venture partner, the Policy requires that the Company's Compliance Officer to work with the appropriate AIG function or department to conduct due diligence to verify that the third party or joint venture partner does not present heightened legal, regulatory, or reputational risk for AIG.

9. AIG Related-Party Transactions Approval Policy

AIG Philippines adheres to AIG, Inc.'s related-party transactions approval policy which contains the policies and procedures governing the review and approval of Related-Party Transactions.

For a copy of the full text of the policy, you may access it at:

<https://www.aig.com.ph/content/dam/aig/apac/philippines/documents/reports/aig-related-party-transactions-approval-policy.pdf>

10. Employee Trainings

AIG Philippines has always been committed to providing local talent with a positive business environment, leadership opportunities, and fair compensation. The Company provides employees with opportunities to learn and excel at their jobs, and grow with the organization. To fulfill this commitment, the Company offers several development programs and trainings for its employees.



AIG Phils - Minutes
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ANNEX "B"

AUDIT COMMITTEE CHARTER

Purpose

The purpose of the Audit Committee of the Board of Directors (“Board”) is to:

- (a) Provide oversight over the Company’s internal and external auditors;
- (b) Monitor, review and evaluate the effectiveness and adequacy of the Company’s internal control system; and
- (c) Foster and encourage a corporate environment of strong fiscal accountability, high ethical standards and compliance with laws and regulations.

Authority

The Committee is authorized by the Board to:

- (a) Investigate or cause to be investigated any matter within its scope of responsibility. The Board has mandated management and employees to cooperate fully with the Committee members.
- (b) Recommend the appointment and removal of external auditors.
- (c) Recommend resolutions of any disagreements between management and the external auditor regarding financial reporting.
- (d) Monitor the system of internal controls and corporate compliance with laws, regulations and code of ethics, specifically when it relates to mandates by the Insurance Commission.
- (e) Serve as direct channel of communication to the Board for the internal auditors, compliance officers, and general counsel.
- (f) Hire independent advisers when necessary.

Composition and Term of Office

The Committee shall be composed of at least three (3) members, majority of whom shall be independent directors. The members of the Committee, including the Chairman, shall be elected by the Board. The Chairman shall be an independent director.

The Chairman and members of the Committee shall be elected by the Board and shall serve until their successors are determined and qualified.

Meetings

The Committee shall meet at least four (4) times during the year or as often as may be necessary.

The minutes shall be signed by the Chairman of the Committee and the Corporate Secretary and shall be made available prior to the next meeting and approved therein.

NOMINATING COMMITTEE CHARTER

Purpose

The Nominating Committee (NC) shall assist the Board of Directors (“Board”) of AIG Philippines Insurance, Inc. (“Company”) in fulfilling its duties and responsibilities by:

- (a) ensuring the establishment of procedures for the selection and recommendation of candidates suitable for appointment to the Board as well as to other positions requiring appointment by the Board.
- (b) ensuring that the Board is comprised of individuals who are best able to discharge the responsibilities of a Director.

Responsibilities

The main responsibility of the Committee is to assist the Board to ensure it is comprised of Directors and other officers/positions requiring appointment by the Board with the appropriate mix of skills, experience and expertise to discharge its mandate effectively.

Composition and Term of Office

The Committee shall consist of at least three (3) members of the Board, majority of whom shall be independent directors. The Chairman shall be an independent director.

The Chairman and members of the Committee shall be elected by the Board and shall serve until their successors are determined and qualified.

Meetings

The Committee shall meet at least twice during the year or as often as at it may consider necessary.

The minutes shall be signed by the Chairman of the Committee and the Corporate Secretary and shall be made available prior to the next meeting and approved therein.

REMUNERATION COMMITTEE CHARTER

Purpose

The purpose of the Remuneration/Compensation Committee (RC) of the Board of Directors is to assist the Board in providing reasonable compensation to the executives and employees by:

- (a) ensuring that appropriate remuneration policies are in place which are designed to meet the needs of the Company and to enhance corporate and individual performance; and
- (b) ensuring that the salaries and benefits being provided by the Company are up-to-date, competitive and in compliance with the minimum standards provided under the law and relevant regulations.

Responsibilities

- (a) To recommend to the Board the level and structure of salaries and remunerations for senior

management and other executives and employees, as defined and determined by the Board.

- (b) To review annually the Company's remuneration and incentive programs. These programs must be designed to recognize a key personnel's contribution to the Company's performance and to motivate key personnel to pursue the long-term growth and success of the Company.

Composition and Term of Office

The Committee shall be composed of at least three (3) members of the Board, majority of whom shall be independent directors. The Chairman shall be an independent director.

The Chairman and members of the Committee shall be elected by the Board and shall serve until their successors are determined and qualified.

Meetings

The Committee will meet at least twice during the year or as often as it may consider necessary.

The Committee, through the Corporate Secretary or her authorized representative, shall keep the minutes of all its proceedings.

The Committee shall be composed of three (3) members of the Board, one (1) of whom shall be an independent member.

The Chairman and members of the Committee shall be elected by the Board and shall serve until their successors are determined and qualified.

Meetings

The Committee shall meet at least once every quarter or as often as it considers necessary.

The Corporate Secretary or her duly authorized representative shall attend the meeting and take the minutes. The minutes shall be signed by the Chairman of the Committee and the Secretary.

RISK OVERSIGHT COMMITTEE CHARTER

Purpose

This Charter establishes the authority and responsibilities conferred by the Board of Directors of AIG Philippines Insurance, Inc. (the "Company") on the Risk Oversight Committee (the "Committee").

Role

The role of the Committee is to assist the Board of Directors of AIG Philippines Insurance, Inc. in fulfilling its corporate goals and risk management responsibilities as defined by applicable laws and regulations as well as the Company's internal policies and regulations.

The Committee shall provide independent analysis, evaluations and recommendations on the Company's existing internal controls and processes, and shall assess the effectiveness and adequacy of its risk management.

The Committee shall assist management in its business decision making and extend support in order to make informed decisions on the extent and types of risks taken by the business units and by the Company as a whole.

Composition and Term of Office