

ANNUAL CORPORATE GOVERNANCE REPORT OF
AYALA PLANS, INC.

1. For the fiscal year ended December 31, 2023
2. Certificate Authority Number PN-2023-11-R
3. Ayala Plans, Inc.
Province, Country or other jurisdiction of incorporation or organization
4. 8/F BPI Buendia Center, 360 Sen. Gil Puyat Avenue, Makati City 1209
Address of principal office
5. 889-10000 for Metro Manila; 1-800-188-89100 for domestic toll-free calls (available to PLDT subscribers)
Company's telephone number including area code
(632) 8580-0820
AP Compliance Officer's telephone number including area code
6. <https://www.bpi.com.ph/personal/insurance/ayala-plans>
Company's official website
7. Not applicable
Former name, former address, and former fiscal year, if changed since last report



ANNUAL CORPORATE GOVERNANCE REPORT			
	COMPLIANT/ NON-COMPLIANT	ADDITIONAL INFORMATION	EXPLANATION
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.			
Recommendation 1.1			
1. Board is composed of directors with collective working knowledge, experience or expertise that is relevant to the company's industry/sector.	COMPLIANT	As required by IC, the biodata of the elected Board of Directors which discloses the qualifications and relevant experiences are submitted annually to the Commission.	
2. Board has an appropriate mix of competence and expertise.	COMPLIANT	Reference document: <ul style="list-style-type: none"> • AP Board of Directors and Executives Officers Profiles https://www.bpi.com.ph/personal/insurance/ayala-plans/board-of-directors	
3. 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		
Recommendation 1.2			
1. Board is composed of a majority of non-executive directors.	COMPLIANT	In the submission of Ayala Plans' (AP) 2023 amended General Information Sheet to IC on February 15, 2024, two (2) out of the five-member board were classified as independent or having no interest or relationship with AP at the time of election, appointment, or re-election. One (1) of the Board was Non-Executive Director, who was not involved in the day-to-day management of company's operations. Reference document/link: <ul style="list-style-type: none"> • AP Board of Directors and Executives Officers Profiles https://www.bpi.com.ph/personal/insurance/ayala-plans/board-of-directors	

Recommendation 1.3			
1. Company provides in its Board Charter or Manual on Corporate Governance a policy on training of directors.	COMPLIANT	<p>AP Directors receive relevant and continuing training to enable them to have a greater understanding of the company's business and to keep abreast with current issues and regulatory changes in the industry and to strengthen their ability to meet these governance responsibilities.</p> <p>Reference document:</p> <ul style="list-style-type: none"> • AP Manual on Corporate Governance (Sec VII. Training/Orientation, page 15) https://www.bpi.com.ph/personal/insurance/ayala-plans/governance 	
2. Company provides in its Board Charter or Manual on Corporate Governance an orientation program for first time directors.	COMPLIANT	<p>The Office of the Corporate Secretary together with the Compliance Unit of Ayala Plans ensures that the Board of Directors are able to attend the requisite programs, seminars and roundtables with accredited service providers during the year.</p>	
3. Company has relevant annual continuing training for all directors.	COMPLIANT	<p>Reference document:</p> <ul style="list-style-type: none"> • AP Manual on Corporate Governance (Sec VII. Training/Orientation, page 15) https://www.bpi.com.ph/personal/insurance/ayala-plans/governance 	
Recommendation 1.4			
1. Board has a policy on board diversity.	COMPLIANT	<p>Ayala Plans aligns with the Board Diversity Policy of BPI.</p> <p>Reference document:</p> <ul style="list-style-type: none"> • BPI Website (Composition, Qualification, Diversity and Independence) https://www.bpi.com.ph/about-bpi/governance/board-and-governance/board-matters/composition-qualification-diversity-independence 	

Recommendation 1.5			
1. Board is assisted in its duties by a Corporate Secretary.	COMPLIANT	<p>The Board is assisted by a Corporate Secretary, Atty. Dennis T. Tuddao, who is not the Compliance Officer and is not a member of the Board of Directors.</p> <p>The Corporate Secretary shall have the following functions</p>	
2. Corporate Secretary is a separate individual from the Compliance Officer.	COMPLIANT	<ol style="list-style-type: none"> 1. Serve as an adviser to the directors on their responsibilities and obligations; 2. Keep the minutes of meetings of the stockholders, the Board of Directors, the Executive Committee, and all other committees in a book or books kept for that purpose, and shall furnish copies thereof to the Chairman, the President and other members of the Board as appropriate; 	
3. Corporate Secretary is not a member of the Board of Directors.	COMPLIANT	<ol style="list-style-type: none"> 3. Have charge of the stock certificate book and such other books and papers as the Board may direct; 4. Attend to the giving and serving of notices of Board and shareholder meetings; 5. Be fully informed and be part of the scheduling process of other activities of the Board; 6. Prepare an annual schedule of board meetings and the regular agendas of meetings, and put the Board on notice of such agenda at every meeting; 7. Oversee the adequate flow of information to the Board prior to meetings; <p>The Corporate Secretary shall have such other responsibilities as the Board of Directors may impose upon him.</p> <p>The Board shall have separate and independent access to the Corporate Secretary.</p>	

		<p>Reference document:</p> <ul style="list-style-type: none"> • AP Manual on Corporate Governance (Sec XI.D. Corporate Secretary, page 27) https://www.bpi.com.ph/personal/insurance/ayala-plans/governance • AP Board of Directors and Executives Officers Profiles https://www.bpi.com.ph/personal/insurance/ayala-plans/board-of-directors 	
4. Corporate Secretary attends training/s on corporate governance.	COMPLIANT	<p>Reference document:</p> <ul style="list-style-type: none"> • AP Board of Directors and Executive Officers Profiles (Corporate Secretary) https://www.bpi.com.ph/personal/insurance/ayala-plans/board-of-directors 	
Recommendation 1.6			
1. Board is assisted by a Compliance Officer.	COMPLIANT	AP has designated a Compliance Officer with a rank of Assistant Director/Senior Manager to carry out the compliance functions for AP.	
2. Compliance Officer has a rank of Vice President or an equivalent position with adequate stature and authority in the corporation.	NON- COMPLIANT	<p>Reference document:</p> <ul style="list-style-type: none"> • AP Manual on Corporate Governance (Sec XII.B. Other Senior Officer, Compliance Officer, page 28) https://www.bpi.com.ph/personal/insurance/ayala-plans/governance • AP Board of Directors and Executive Officers Profiles (Compliance Officer) https://www.bpi.com.ph/personal/insurance/ayala-plans/board-of-directors 	Currently, given the winding down operations of AP, there are only nine (9) personnel. The Officer in Charge has the highest rank (Director/ AVP).
3. Compliance Officer is not a member of the board.	COMPLIANT	<ul style="list-style-type: none"> • AP Board of Directors and Executive Officers Profiles (Compliance Officer) https://www.bpi.com.ph/personal/insurance/ayala-plans/board-of-directors 	
4. Compliance Officer attends training/s on corporate governance annually.	COMPLIANT	<p>Reference document:</p> <ul style="list-style-type: none"> • AP Board of Directors and Executive Officers Profiles (Compliance Officer) https://www.bpi.com.ph/personal/insurance/ayala-plans/board-of-directors 	

Principle 2: The fiduciary roles, responsibilities and accountabilities of the Board as provided under the law, the company’s articles and by-laws, and other legal pronouncements and guidelines should be clearly made known to all directors as well as to stockholders and other stakeholders.

Recommendation 2.1

<p>1. Directors act on a fully informed basis, in good faith, with due diligence and care, and in the best interest of the company.</p>	<p>COMPLIANT</p>	<p>The corporate governance philosophy of the company states that the Directors should subscribe to a philosophy of adhering to honesty, integrity, and professionalism in the conduct of its business, exercising prudence in arriving at decisions, enforcing internal discipline and a system of checks and balances in its operating processes, and providing transparency to its various publics regarding basic management policies and practices, major business strategies and decisions, and its operating results.</p> <p>Reference document:</p> <ul style="list-style-type: none"> • AP Manual on Corporate Governance (Sec I. Corporate Governance Philosophy and Section II.A. Governance Structure, Board of Directors page 3; Section V. Duties and Responsibilities of the Board, pages 13 to 14) <p>https://www.bpi.com.ph/personal/insurance/ayala-plans/governance</p>	
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Recommendation 2.2

<p>1. Board oversees the development, review and approval of the company’s business objectives and strategy.</p>	<p>COMPLIANT</p>	<p>The Board of Directors (the Board) bears the primary responsibility for creating and enhancing the long term shareholder value of AP and ensuring that this objective is achieved in all its business activities.</p>	
<p>2. 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.</p>	<p>COMPLIANT</p>	<p>Reference document:</p> <ul style="list-style-type: none"> • AP Manual on Corporate Governance (Section II.A. Board of Directors page 3) 	

		https://www.bpi.com.ph/personal/insurance/ayala-plans/governance	
Recommendation 2.3			
1. Board is headed by a competent and qualified Chairperson.	COMPLIANT	AP Board is headed by a competent and qualified Chairperson. Reference document: <ul style="list-style-type: none"> • AP Board of Directors and Executive Officers Profiles https://www.bpi.com.ph/personal/insurance/ayala-plans/board-of-directors 	
Recommendation 2.4			
1. Board ensures and adopts an effective succession planning program for directors, key officers and management.	COMPLIANT	Ayala Plans follows the succession planning program for directors, key officers and management of BPI Parent. Ayala Plans aligns with the retirement program for directors and key officers of BPI Parent.	
2. Board adopts a policy on the retirement for directors and key officers.	COMPLIANT	Reference document: <ul style="list-style-type: none"> • BPI Website (Succession Planning and Talent Management) https://www.bpi.com.ph/about-bpi/governance/board-and-governance/board-matters/succession-planning-talent-management 	
Recommendation 2.5			
1. Board formulates and adopts a policy specifying the relationship between remuneration and performance of key officers and board members.	COMPLIANT	The policy on compensation of Directors is stated in the AP Corporate Governance Manual. Reference document: <ul style="list-style-type: none"> • AP Manual on Corporate Governance (Section VI.C. Compensation of Directors, page 15) 	
2. Board aligns the remuneration of key officers and board members with long-term interests of the company.	COMPLIANT		

3. Directors do not participate in discussions or deliberations involving his/her own remuneration.	COMPLIANT	https://www.bpi.com.ph/personal/insurance/alya-plans/governance	
Recommendation 2.6			
1. Board has a formal and transparent board nomination and election policy.	COMPLIANT	The nomination policy and the voting rights of the minority shareholders are stated in the AP Corporate Governance Manual.	
2. Board nomination and election policy is disclosed in the company's Manual on Corporate Governance.	COMPLIANT	Reference document: <ul style="list-style-type: none"> • AP Manual on Corporate Governance (Section VIII.A. Nominations Committee, pages 15 to 16; Section XVI.A.1. Voting Rights, page 31) https://www.bpi.com.ph/personal/insurance/alya-plans/governance	
3. Board nomination and election policy includes how the company accepts nominations from minority shareholders.	COMPLIANT		
4. Board nomination and election policy includes how the board reviews nominated candidates.	COMPLIANT		
5. Board nomination and election policy includes an assessment of the effectiveness of the Board's processes in the nomination, election or replacement of a director.	COMPLIANT		
6. Board has a process for identifying the quality of directors that is aligned with the strategic direction of the company.	COMPLIANT		
Recommendation 2.7			
1. Board has overall responsibility in ensuring that there is a group-wide policy and system governing related party transactions (RPTs) and other unusual or infrequently occurring transactions.	COMPLIANT	AP has Related Party Transactions (RPT) Policy to assist the Board in the evaluation of RPTs.	

2. RPT policy includes appropriate review and approval of material RPTs, which guarantee fairness and transparency of the transactions.	COMPLIANT	<p><u>Reference document:</u></p> <ul style="list-style-type: none"> • AP Manual on Corporate Governance (Section VIII.D. Related Party Transactions, pages 22 to 24) <p>https://www.bpi.com.ph/personal/insurance/ayala-plans/governance</p>	
3. RPT policy encompasses all entities within the group, taking into account the size, structure, risk profile and complexity of operations.	COMPLIANT		
Recommendation 2.8			
1. Board is primarily responsible for approving the selection of Management led by the Chief Executive Officer (CEO) and the heads of the other control functions (Chief Risk Officer, Chief Compliance Officer and Chief Audit Executive)	COMPLIANT	<p>As stated in the AP Corporate Governance Manual, the Board through its Personnel Compensation Committee is responsible for the talent management and succession planning for Key Officers of AP.</p> <p><u>Reference document:</u></p> <ul style="list-style-type: none"> • AP Manual on Corporate Governance (Section VIII.B. Personnel Compensation Committee, pages 16 to 17) <p>https://www.bpi.com.ph/personal/insurance/ayala-plans/governance</p>	
2. Board is primarily responsible for assessing the performance of Management led by the Chief Executive Officer (CEO) and the heads of the other control functions (Chief Risk Officer, Chief Compliance Officer and Chief Audit Executive).	COMPLIANT	<p>Assessing the performance of AP Officers is also one of the responsibilities of Personnel Compensation Committee.</p> <p><u>Reference document:</u></p> <ul style="list-style-type: none"> • AP Manual on Corporate Governance (Section VIII.B. Personnel Compensation Committee, pages 16 to 17) <p>https://www.bpi.com.ph/personal/insurance/ayala-plans/governance</p>	
Recommendation 2.9			
1. Board establishes an effective performance management framework that ensures that Management, including the Chief Executive Officer	COMPLIANT	Ayala Plans follows the performance management framework of BPI Parent.	

performance is at par with the standards set by the Board and Senior Management.		Reference document: <ul style="list-style-type: none"> • 2022 BPI Integrated Annual Report (CEO and Senior Management, Succession Planning and Talent Management pages 120 to 121) https://www.bpi.com.ph/about-bpi/investor-relations/integrated-reports 	
2. Board establishes an effective performance management framework that ensures that personnel's performance is at par with the standards set by the Board and Senior Management.	COMPLIANT		
Recommendation 2.10			
1. Board oversees that an appropriate internal control system is in place.	COMPLIANT	As stated in the Manual, the Audit Committee shall monitor and evaluate the adequacy and effectiveness of the company's internal control system. It shall provide oversight on the overall management of operating risks, financial reporting and control, internal audit department and external auditors, quality of compliance with the Corporate Governance Manual and reviews conducted by the Insurance Commission.	
2. The internal control system includes a mechanism for monitoring and managing potential conflict of interest of the Management, members and shareholders.	COMPLIANT	Reference document: <ul style="list-style-type: none"> • AP Manual on Corporate Governance (Section VIII.C. Audit Committee, pages 17 to 21) https://www.bpi.com.ph/personal/insurance/ayala-plans/governance 	
3. Board approves the Internal Audit Charter.	COMPLIANT	One of the duties of the Audit Committee is to review and reassess adequacy of Audit Committee Charter. Reference document: <ul style="list-style-type: none"> • AP Manual on Corporate Governance (Section VIII.C. Audit Committee, pages 17 to 21) https://www.bpi.com.ph/personal/insurance/ayala-plans/governance 	

Recommendation 2.11			
1. Board oversees that the company has in place a sound enterprise risk management (ERM) framework to effectively identify, monitor, assess and manage key business risks.	COMPLIANT	The Board as a whole shall nurture a culture of risk across the entity and shall implement and oversee the enterprise risk management program to assist the Board in fulfilling its corporate governance responsibilities relating to the management of risks. Reference document: <ul style="list-style-type: none"> • AP Manual on Corporate Governance (Section IX. Risk Management, page 24) https://www.bpi.com.ph/personal/insurance/yala-plans/governance 	
2. The risk management framework guides the Board in identifying units/business lines and enterprise-level risk exposures, as well as the effectiveness of risk management strategies.	COMPLIANT		
Recommendation 2.12			
1. Board has a Board Charter that formalizes and clearly states its roles, responsibilities and accountabilities in carrying out its fiduciary duties.	COMPLIANT	The duties and responsibilities of the Board are stated in the Corporate Governance Manual. Reference document: <ul style="list-style-type: none"> • AP Manual on Corporate Governance (Section V. Duties and Responsibilities of the Board, pages 13 to 14) https://www.bpi.com.ph/personal/insurance/yala-plans/governance 	
2. Board Charter serves as a guide to the directors in the performance of their functions.	COMPLIANT		
3. Board Charter is publicly available and posted on the company's website.	COMPLIANT		
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.			
Recommendation 3.1			
1. Board establishes board committees that focus on specific board functions to aid in the optimal performance of its roles and responsibilities.	COMPLIANT	The Board may delegate specific responsibilities to other sub-committees for specialized areas of focus within the limits allowed by law.	

		<p>Reference document:</p> <ul style="list-style-type: none"> • AP Manual on Corporate Governance (Section VIII. Board Committees, pages 15 to 24) <p>https://www.bpi.com.ph/personal/insurance/alyala-plans/governance</p>	
Recommendation 3.2			
<p>1. Board establishes an Audit Committee to enhance its oversight capability over the company's financial reporting, internal control system, internal and external audit processes, and compliance with applicable laws and regulations.</p>	COMPLIANT	<p>The Audit Committee shall monitor and evaluate the adequacy and effectiveness of the company's internal control system. It shall provide oversight on the overall management of operating risks, financial reporting and control, internal audit department and external auditors, quality of compliance with the Corporate Governance Manual and reviews conducted by the Insurance Commission.</p> <p>Reference document:</p> <ul style="list-style-type: none"> • AP Manual on Corporate Governance (Section VIII.C. Audit Committee, pages 17 to 21) <p>https://www.bpi.com.ph/personal/insurance/alyala-plans/governance</p>	
<p>2. Audit Committee is composed of at least three appropriately qualified non-executive directors, the majority of whom, including the Chairman is independent.</p>	COMPLIANT	<p>The Board appoints at least three (3) members of the Board, two (2) of whom shall be independent directors, including the Chairman preferably with accounting, auditing or related financial management expertise or experience.</p> <p>Reference document:</p> <ul style="list-style-type: none"> • AP Manual on Corporate Governance (Section VIII.C. Audit Committee, page 17) <p>https://www.bpi.com.ph/personal/insurance/alyala-plans/governance</p>	

		<ul style="list-style-type: none"> • AP Committees and Committee Charters https://www.bpi.com.ph/personal/insurance/alya-plans/governance/committees-attendance 	
3. All the members of the committee have relevant background, knowledge, skills, and/or experience in the areas of accounting, auditing and finance.	COMPLIANT	<p>The Board appoints at least three (3) members of the Board, two (2) of whom shall be independent directors, including the Chairman preferably with accounting, auditing or related financial management expertise or experience.</p> <p>Reference document:</p> <ul style="list-style-type: none"> • AP Manual on Corporate Governance (Section VIII.C. Audit Committee, page 17) https://www.bpi.com.ph/personal/insurance/alya-plans/governance • AP Committees and Committee Charters https://www.bpi.com.ph/personal/insurance/alya-plans/governance/committees-attendance 	
4. The Chairman of the Audit Committee is not the Chairman of the Board or of any other committee.	COMPLIANT	<p>The chairman of the Audit Committee is not the chairman of the Board or of any other committees.</p> <p>Reference document:</p> <ul style="list-style-type: none"> • AP Manual on Corporate Governance (Section VIII.C. Audit Committee, page 17) https://www.bpi.com.ph/personal/insurance/alya-plans/governance • AP Committees and Committee Charters https://www.bpi.com.ph/personal/insurance/alya-plans/governance/committees-attendance 	

Recommendation 3.3			
1. 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		Currently, given the winding down operations of AP, the Board as a whole, performs the functions of the Corporate Governance Committee. The size and composition of AP's board also does not support the creation of separate board-level committees and that such functions are more than adequately, effectively, and efficiently performed by the AP Board.
2. Corporate Governance Committee is composed of at least three members, majority of whom should be independent directors.	COMPLIANT		
3. Chairman of the Corporate Governance Committee is an independent director.	COMPLIANT		
Recommendation 3.4			
1. Board establishes a separate Board Risk Oversight Committee (BROC) that should be responsible for the oversight of a company's Enterprise Risk Management system to ensure its functionality and effectiveness.	COMPLIANT		Currently, given the winding down operations of AP, the Board as a whole, performs the functions of the Risk Oversight Committee. The size and composition of AP's board also does not support the creation of separate board-level committees and that such functions are more than adequately, effectively, and efficiently performed by the AP Board.
2. BROC is composed of at least three members, the majority of whom should be independent directors, including the Chairman.	COMPLIANT		
3. The Chairman of the BROC is not the Chairman of the Board or of any other committee.	COMPLIANT		
4. At least one member of the BROC has relevant thorough knowledge and experience on risk and risk management.	COMPLIANT		

Recommendation 3.5			
1. The Board establishes a Related Party Transactions (RPT) Committee, which is tasked with reviewing all material related party transactions of the company.	COMPLIANT		Currently, given the winding down operations of AP, the Board as a whole, performs the functions of the Related Party Transactions Committee. The size and composition of AP's board also does not support the creation of separate board-level committees and that such functions are more than adequately, effectively, and efficiently performed by the AP Board.
2. RPT Committee is composed of at least three non-executive directors, majority of whom should be independent, including the Chairman.	COMPLIANT		
Recommendation 3.6			
1. All established committees have Committee Charters stating in plain terms their respective purposes, memberships, structures, operations, reporting process, resources and other relevant information.	COMPLIANT	<u>Reference document:</u> <ul style="list-style-type: none"> • AP Manual on Corporate Governance (Section VIII, Board Committees, pages 15 to 24) https://www.bpi.com.ph/personal/insurance/alyala-plans/governance • AP Committees and Committee Charters https://www.bpi.com.ph/personal/insurance/alyala-plans/governance/committees-attendance 	
2. Committee Charters provide standards for evaluating the performance of the Committees.	COMPLIANT		
3. Committee Charters were fully disclosed on the company's website	COMPLIANT	<u>Reference document:</u> <ul style="list-style-type: none"> • AP Manual on Corporate Governance (Section VIII, Board Committees, pages 15 to 24) https://www.bpi.com.ph/personal/insurance/alyala-plans/governance • AP Committees and Committee Charters 	

		https://www.bpi.com.ph/personal/insurance/alyala-plans/governance/committees-attendance	
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.			
Recommendation 4.1			
1. 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>Members of the Board should attend regular and special meetings of the Board in person or via teleconference or video conference or by any other technological means allowed by law.</p> <p><u>Reference document:</u></p> <ul style="list-style-type: none"> • Manual on Corporate Governance (Section IV, Board Meetings and Quorum Requirements, pages 12 to 13) https://www.bpi.com.ph/personal/insurance/alyala-plans/governance • AP Committees and Committee Charters https://www.bpi.com.ph/personal/insurance/alyala-plans/governance/committees-attendance 	
2. The directors review meeting materials for all Board and Committee meetings.	COMPLIANT	<p>The materials of the meeting are provided to the directors at least 2 working days before the date of actual meeting. The materials are made available through BoardVantage/ by sending thru e-mail.</p> <p><u>Reference document:</u></p> <ul style="list-style-type: none"> • AP Manual on Corporate Governance (Section IV, Board Meetings and Quorum Requirements, pages 12 to 13) https://www.bpi.com.ph/personal/insurance/alyala-plans/governance 	

<p>3. The directors ask the necessary questions or seek clarifications and explanations during the Board and Committee meetings.</p>	<p>COMPLIANT</p>	<p>Agenda for the meeting are communicated to the Directors prior to the date of actual meeting. Directors are free to suggest items for inclusion to the agenda and are free to raise at any board meeting subjects that are not on the agenda for that meeting.</p> <p>Reference document:</p> <ul style="list-style-type: none"> • AP Manual on Corporate Governance (Section V.L, Duties and Responsibilities of the Board , page 14) https://www.bpi.com.ph/personal/insurance/ayala-plans/governance 	
Recommendation 4.2			
<p>1. Non-executive directors concurrently serve as directors to a maximum of five Insurance Commission Regulated Entities (ICREs) and publicly-listed companies to ensure that they have sufficient time to fully prepare for meetings, challenge Management's proposals/views, and oversee the long-term strategy of the company.</p>	<p>COMPLIANT</p>	<p>A director shall exercise due discretion in accepting and holding directorships outside of AP.</p> <p>Reference document:</p> <ul style="list-style-type: none"> • AP Manual on Corporate Governance (Section III.C., Policy on Multiple Board Seats, page 12) https://www.bpi.com.ph/personal/insurance/ayala-plans/governance 	
Recommendation 4.3			
<p>1. The directors notify the company's board where he/she is an incumbent director before accepting a directorship in another company.</p>	<p>COMPLIANT</p>	<p>As stated in the Manual of Corporate Governance, a director should notify the Board before accepting a directorship in another company. Updated bio-datas of newly-elected and re-elected directors are submitted annually to IC.</p> <p>Reference document:</p> <ul style="list-style-type: none"> • AP Manual on Corporate Governance (Section III.A., Policy on Multiple Board Seats, page 11) https://www.bpi.com.ph/personal/insurance/ayala-plans/governance 	

Principle 5: The board should endeavor to exercise an objective and independent judgment on all corporate affairs.			
Recommendation 5.1			
1. The board is composed of at least twenty percent (20%) independent directors.	COMPLIANT	<p>In the submission of Ayala Plans' (AP) 2023 amended General Information Sheet to IC on February 15, 2024, two (2) out of the five-member board were classified as independent, or having no interest or relationship with AP at the time of election, appointment, or re-election.</p> <p>Reference document/link:</p> <ul style="list-style-type: none"> • AP Board of Directors and Executive Officers Profiles https://www.bpi.com.ph/personal/insurance/ayala-plans/board-of-directors • AP Manual on Corporate Governance (Section II.B, Composition, page 3: Section II.E.2. Number of Independent Directors, page 7) https://www.bpi.com.ph/personal/insurance/ayala-plans/governance 	
Recommendation 5.2			
1. The independent directors possess all the necessary qualifications and none of the disqualifications to hold the position.	COMPLIANT	<p>The Independent Directors possess all the necessary qualifications.</p> <p>Reference document/link:</p> <ul style="list-style-type: none"> • AP Manual on Corporate Governance (Section II.E.3. Qualifications and Disqualifications of Independent Director, pages 7 to 10) https://www.bpi.com.ph/personal/insurance/ayala-plans/governance • AP Board of Directors and Executive Officers Profiles https://www.bpi.com.ph/personal/insurance/ayala-plans/board-of-directors 	

Recommendation 5.3			
<p>1. The independent directors serve for a maximum cumulative term of nine years.</p> <p>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.</p> <p>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.</p>	COMPLIANT	<p>An Independent Director shall serve for a maximum cumulative term of nine (9) years.</p> <p><u>Reference document/link:</u></p> <ul style="list-style-type: none"> • AP Manual on Corporate Governance (Section II.E.3.c. Term Limits of Independent Director, page 9) https://www.bpi.com.ph/personal/insurance/alyala-plans/governance 	
<p>2. The company bars an independent director from serving in such capacity after the term limit of nine years.</p>	COMPLIANT	<p>An Independent Director who served the maximum period shall be perpetually barred from any re-election in the company but may continue therein as a non-independent director.</p> <p><u>Reference document/link:</u></p> <ul style="list-style-type: none"> • AP Manual on Corporate Governance (Section II.E.3.c. Term Limits of Independent Director, page 9) https://www.bpi.com.ph/personal/insurance/alyala-plans/governance 	
<p>3. In the instance that the company retains an independent director in the same capacity after nine years, the board submits to the Insurance Commission a formal written justification and seek shareholders'</p>	COMPLIANT	<p>Currently, AP has no Independent Directors retained beyond the term limit on nine years, as reckoned from 2016.</p> <p><u>Reference document/link:</u></p>	

approval during the annual shareholders' meeting.		<ul style="list-style-type: none"> • AP Manual on Corporate Governance (Section II.E.3.c. Term Limits of Independent Director, page 9) https://www.bpi.com.ph/personal/insurance/alyala-plans/governance 	
Recommendation 5.4			
1. The positions of Chairman of the Board and Chief Executive Officer are held by separate individuals.	COMPLIANT	<p>The Chairman of the Board and the Officer in Charge are held by separate individuals.</p> <p>Reference document/link:</p> <ul style="list-style-type: none"> • AP Board of Directors and Executive Officers Profiles https://www.bpi.com.ph/personal/insurance/alyala-plans/board-of-directors 	
2. The Chairman of the Board and Chief Executive Officer have clearly defined responsibilities.	COMPLIANT	<p>Reference document/link:</p> <ul style="list-style-type: none"> • AP Manual on Corporate Governance (Section XI. Executive Officers of AP, pages 25 to 27) https://www.bpi.com.ph/personal/insurance/alyala-plans/governance 	
Recommendation 5.5			
1. If the Chairman of the Board is not an independent director or where the roles of Chairman and CEO are being held by one person, the Board should designate a lead director among the independent directors.	COMPLIANT	<p>Our Chairman is separately appointed from our Officer-in-Charge / Chief Executive Officer by the Board, a Lead Independent Director is not necessary.</p> <p>Reference document/link:</p> <ul style="list-style-type: none"> • AP Manual on Corporate Governance (Section XI. Executive Officers of AP, pages 25 to 27) https://www.bpi.com.ph/personal/insurance/alyala-plans/governance 	
Recommendation 5.6			
1. Directors with material interest in a transaction affecting the corporation	COMPLIANT	If an actual or potential conflict of interest should arise on the part of directors, it should be fully disclosed and the concerned director	

<p>should abstain from taking part in the deliberations for the same.</p>		<p>should not participate in the decision making. A director who has a continuing conflict of interest of a material nature should either resign or, if the Board deems appropriate, be removed from the Board.</p> <p>Reference document/link:</p> <ul style="list-style-type: none"> • AP Manual on Corporate Governance (Section XIII.B. Governance Policy on Conflict of Interest, pages 29 to 30) https://www.bpi.com.ph/personal/insurance/ayala-plans/governance 	
<p>Recommendation 5.7</p>			
<p>1. The non-executive directors (NEDs) have separate periodic meetings with the external auditor and heads of the internal audit, compliance and risk functions, without any executive directors present to ensure that proper checks and balances are in place within the corporation.</p>	<p>COMPLIANT</p>	<p>The Audit reports of the BPI Internal Audit and External Audit were submitted to the NEDs in lieu of the actual NED meeting as cleared with the Corporate Governance Unit of the Insurance Commission.</p> <p>Each NED signed a certification to document the receipt of the reports.</p>	
<p>2. The meetings are chaired by the lead independent director.</p>	<p>COMPLIANT</p>		
<p>Principle 6: The best measure of the Board's effectiveness is through an assessment process. The Board should regularly carry out evaluations to appraise its performance as a body, and assess whether it possesses the right mix of backgrounds and competencies.</p>			
<p>Recommendation 6.1</p>			
<p>1. The Board conducts an annual assessment of its performance as a whole.</p>	<p>COMPLIANT</p>	<p>One of the duties and responsibilities of the Board is to evaluate the performance and effectiveness of the Board and its various committees, the CEO and operating management, through a formal evaluation process.</p>	
<p>2. The performance of the Chairman is assessed annually by the Board.</p>	<p>COMPLIANT</p>	<p>Reference document:</p>	

3. The performance of the individual member of the Board is assessed annually by the Board.	COMPLIANT	<ul style="list-style-type: none"> AP Manual on Corporate Governance (Sec V.N. Page 14) https://www.bpi.com.ph/personal/insurance/ayala-plans/governance 	
4. The performance of each committee is assessed annually by the Board.	COMPLIANT		
5. Every three years, the assessments are supported by an external facilitator.	COMPLIANT	Third-Party External Performance Evaluation. In pursuit of best practices, the Company engaged in 2024 a third-party external facilitator, Good Governance Advocates and Practitioners of the Philippines (GGAPP), to conduct a separate Board Assessment covering the 2023 board term.	
Recommendation 6.2			
1. Board has in place a system that provides, at the minimum, criteria and process to determine the performance of the Board, individual directors and committees.	COMPLIANT	Yes, the Board has in place a system and process to determine the performance of the Board, individual directors and committees. Reference document: <ul style="list-style-type: none"> AP Manual on Corporate Governance (Sec II.F. Performance Evaluation pages 10 to 11) https://www.bpi.com.ph/personal/insurance/ayala-plans/governance 	
2. The system allows for a feedback mechanism from the shareholders.	COMPLIANT		
Principle 7: Members of the Board are duty-bound to apply high ethical standards, taking into account the interests of all stakeholders.			
Recommendation 7.1			
1. Board adopts a Code of Business Conduct 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.	COMPLIANT	Ayala Plans generally adopts the same Code of Business Conduct and Ethics of BPI Parent to ensure standardization and consistency across the BPI Group. Reference document: <ul style="list-style-type: none"> BPI Website (Code of Business Conduct and Ethics) 	

		https://www.bpi.com.ph/about-bpi/governance/board-and-governance/business-conduct-ethics	
2. The Code is properly disseminated to the Board, senior management and employees.	COMPLIANT	<p>This Code of Business Conduct and Ethics can be accessed by employees and senior management from the Management and Operating Manual of BPI in the Bank's intranet electronic database. This Code is also posted on the company website.</p> <p>Reference document:</p> <ul style="list-style-type: none"> • BPI Website (Code of Business Conduct and Ethics) https://www.bpi.com.ph/about-bpi/governance/board-and-governance/business-conduct-ethics 	
3. The Code is disclosed and made available to the public through the company website.	COMPLIANT	<p>Reference document:</p> <ul style="list-style-type: none"> • BPI Website (Code of Business Conduct and Ethics) https://www.bpi.com.ph/about-bpi/governance/board-and-governance/business-conduct-ethics 	
Recommendation 7.2			
1. Board ensures the proper and efficient implementation and monitoring of compliance with the Code of Business Conduct and Ethics.	COMPLIANT	Ayala Plans generally adopts the same Code of Business Conduct and Ethics of BPI Parent to ensure standardization and consistency across the BPI Group.	
2. Board ensures the proper and efficient implementation and monitoring of compliance with company internal policies.	COMPLIANT	<p>Reference document:</p> <ul style="list-style-type: none"> • BPI Corporate Governance Manual (Dissemination of the Code and Compliance with the Code, pages 89 to 90) https://www.bpi.com.ph/about-bpi/governance/conflict-of-interest-and-other-policies/raising-integrity-concerns/manual-corporate-governance 	

Disclosure and Transparency

Principle 8: The company should establish corporate disclosure policies and procedures that are practical and in accordance with best practices and regulatory expectations.

Recommendation 8.1

1. Board establishes corporate disclosure policies and procedures to ensure a comprehensive, accurate, reliable and timely report to shareholders and other stakeholders that gives a fair and complete picture of a company's financial condition, results and business operations.	COMPLIANT	<p>The Board shall commit at all times to fully disclose all material information about the company for the benefit of the stockholder.</p> <p>Reference document:</p> <ul style="list-style-type: none"> • AP Manual on Corporate Governance (Sec XV. Reports and Disclosures, page 31) <p>https://www.bpi.com.ph/personal/insurance/alyala-plans/governance</p>	
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Recommendation 8.3

1. Board fully discloses all relevant and material information on individual board members to evaluate their experience and qualifications, and assess any potential conflicts of interest that might affect their judgment.	COMPLIANT	<p>As required by IC, the bio-data of the elected Board of Directors which discloses the age, qualifications and relevant experience are submitted annually to the Commission.</p> <p>Reference document:</p> <ul style="list-style-type: none"> • AP Board of Directors and Executive Officers Profiles <p>https://www.bpi.com.ph/personal/insurance/alyala-plans/board-of-directors</p>	
2. Board fully discloses all relevant and material information on key executives to evaluate their experience and qualifications, and assess any potential conflicts of interest that might affect their judgment.	COMPLIANT	Same reply as in #1 under Recommendation 8.3 above.	

Recommendation 8.4

1. Company provides a clear disclosure of its policies and procedure for setting Board remuneration, including the level and mix of the same in the	COMPLIANT	The level of remuneration/benefits of Directors is determined to ensure that it is sufficient and fair relative to the responsibility they bear.	
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Annual Corporate Governance Report consistent with ASEAN Corporate Governance Scorecard (ACGS) and the Revised Corporation Code.		<p><u>Reference document:</u></p> <ul style="list-style-type: none"> • AP Manual on Corporate Governance (Sec VI.C. Compensation of Directors, page 15; Section VIII.B. Personnel Compensation Committee pages 16 to 17) <p>https://www.bpi.com.ph/personal/insurance/ayala-plans/governance</p>	
2. Company provides a clear disclosure of its policies and procedure for setting Executive remuneration, including the level and mix of the same in the Annual Corporate Governance Report consistent with ASEAN Corporate Governance Scorecard (ACGS) and the Revised Corporation Code.	COMPLIANT	Same reply as in #1 under Recommendation 8.4 above.	
3. Company discloses the remuneration on an individual basis, including termination and retirement provisions.	NON-COMPLIANT		Director's remuneration is disclosed in the annual reports in aggregate to the extent allowable without raising commercial, privacy and security issues as well as business efficiency and competitiveness concerns for the company.
Recommendation 8.5			
1. Company discloses its policies governing Related Party Transactions (RPTs) and other unusual or infrequently occurring transactions.	COMPLIANT	<p>AP discloses its policies governing Related Party Transactions.</p> <p><u>Reference document:</u></p> <ul style="list-style-type: none"> • Ayala Plans, Inc. Policy on Related Party Transactions <p>https://www.bpi.com.ph/personal/insurance/ayala-plans/governance</p>	

<p>2. Company discloses material or significant RPTs in its Annual Company Report or Annual Corporate Governance Report, reviewed and approved by the Board, and submitted for confirmation by majority vote of the stockholders in the annual stockholder’s meeting during the year.</p>	<p>COMPLIANT</p>	<p>The company ensures strict and consistent compliance with laws and regulations involving transactions with its Directors, Officers and Stockholders (DOS), Affiliates and other related parties. <u>Reference document:</u></p> <ul style="list-style-type: none"> • Ayala Plans, Inc. Policy on Related Party Transactions https://www.bpi.com.ph/personal/insurance/ayala-plans/governance • 2023 RPT reports submitted to IC https://www.bpi.com.ph/personal/insurance/ayala-plans/disclosures 	
<p>Recommendation 8.7</p>			
<p>1. Company’s corporate governance policies, programs and procedures are contained in its Manual of Corporate Governance (MCG).</p>	<p>COMPLIANT</p>	<p>The company’s Manual of Corporate Governance supplements and complements AP’s Articles of Incorporation and By-Laws by setting forth principles of good and transparent governance.</p>	
<p>2. Company’s MCG is posted on its company website</p>	<p>COMPLIANT</p>	<p><u>Reference document:</u></p> <ul style="list-style-type: none"> • AP Manual on Corporate Governance https://www.bpi.com.ph/personal/insurance/ayala-plans/governance 	
<p>Principle 9: 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.</p>			
<p>Recommendation 9.1</p>			
<p>1. Audit Committee has a robust process for approving and recommending the appointment; reappointment, removal, and fees of the external auditors.</p>	<p>COMPLIANT</p>	<p>One of the duties and responsibilities of the Audit Committee is to ensure that a BSP/SEC accredited external auditor had been appointed by the BPI Board of Directors and remove the external auditors if circumstances warrant.</p>	

		<p>Reference document:</p> <ul style="list-style-type: none"> • AP Manual on Corporate Governance (Sec VIII.C.2.c.i External Audit, page 19) https://www.bpi.com.ph/personal/insurance/ayala-plans/governance 	
2. The appointment, reappointment, removal, and fees of the external auditor is recommended by the Audit Committee, approved by the Board and ratified by the shareholders.	COMPLIANT	<p>The Board, through the Audit Committee, shall recommend to the stockholders a duly accredited external auditor who shall undertake an independent audit and shall provide an objective assurance on the way in which the financial statements shall have been prepared and presented.</p> <p>Reference document:</p> <ul style="list-style-type: none"> • AP Manual on Corporate Governance (Sec XIX.A. External Audit, page 33) https://www.bpi.com.ph/personal/insurance/ayala-plans/governance • AP Notice of ASM https://www.bpi.com.ph/personal/insurance/ayala-plans/disclosures • AP Minutes of ASM https://www.bpi.com.ph/personal/insurance/ayala-plans/disclosures 	
3. For removal of external auditor, the reasons for removal or change are disclosed to the regulators and the public through the company website and required disclosures.	COMPLIANT	There has been no removal or change of the external auditor within the last three (3) years (2021-2023).	
Recommendation 9.2			
1. Audit Committee Charter includes the Audit Committee's responsibility on: <ul style="list-style-type: none"> i. assessing the integrity and independence of external auditors; ii. exercising effective oversight to review and monitor the external 	COMPLIANT	<p>Reference document:</p> <ul style="list-style-type: none"> • AP Manual on Corporate Governance (Sec VIII.C.2.c.External Audit, pages 19 to 20) https://www.bpi.com.ph/personal/insurance/ayala-plans/governance 	

<p>auditor's independence and objectivity; and</p> <p>iii. exercising effective oversight to review and monitor the effectiveness of the audit process, taking into consideration relevant Philippine professional and regulatory requirements.</p>			
<p>2. Audit Committee Charter contains the Committee's responsibility on reviewing and monitoring the external auditor's suitability and effectiveness on an annual basis.</p>	<p>COMPLIANT</p>	<p>The Audit Committee assess the external auditor's effectiveness, independence and objectivity, ensuring that key partners are rotated at appropriate intervals; and remove the external auditors if circumstances warrant. The Committee shall oversee the resolution of disagreements between management and the external auditors in the event that they arise.</p> <p>Reference document:</p> <ul style="list-style-type: none"> • AP Manual on Corporate Governance (Sec VIII.C.2.c.i External Audit, page 19) https://www.bpi.com.ph/personal/insurance/yala-plans/governance 	
<p>Recommendation 9.3</p>			
<p>1. Company discloses the nature of non-audit services performed by its external auditor in the Annual Report to deal with the potential conflict of interest.</p>	<p>COMPLIANT</p>	<p>The External Auditor shall perform such other functions as may be approved by the Board in its engagement of the auditor, provided, however, that non-audit work shall not be in conflict with the functions of the auditor as external auditor.</p> <p>Reference document:</p> <ul style="list-style-type: none"> • AP Manual on Corporate Governance (Sec XIX.B.4 External Audit, page 34) https://www.bpi.com.ph/personal/insurance/yala-plans/governance 	

2. Audit Committee stays alert for any potential conflict of interest situations, given the guidelines or policies on non-audit services, which could be viewed as impairing the external auditor's objectivity.	COMPLIANT	In recent years, there have been no non-audit services.	
Principle 10: The company should ensure that the material and reportable non-financial and sustainability issues are disclosed.			
Recommendation 10.1			
1. Board has a clear and focused policy on the disclosure of non-financial information, with emphasis on the management of economic, environmental, social and governance (EESG) issues of its business, which underpin sustainability.	COMPLIANT	Currently, given the winding down operations of AP, the disclosure of non-financial information is limited to its sustainability report. <u>Reference document:</u> • AP Sustainability Report https://www.bpi.com.ph/personal/insurance/ayala-plans/disclosures	
2. Company adopts a globally recognized standard/framework in reporting sustainability and non-financial issues.	NON-COMPLIANT		Currently, given the winding down operations of AP, the sustainability report is not patterned to a globally recognized standard/ framework. To resolve by end of the year.
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.			
1. The company should have a website to ensure a comprehensive, cost efficient, transparent, and timely manner of disseminating relevant information to the public.	COMPLIANT	The company's website is: https://www.bpi.com.ph/personal/insurance/ayala-plans	

Internal Control System and Risk Management Framework

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.

Recommendation 12.1

<p>1. Company has an adequate and effective internal control system in the conduct of its business.</p>	<p>COMPLIANT</p>	<p>One of the duties and responsibilities of the Audit Committee is to ensure that a review of the effectiveness of the Company's internal controls, including financial, operational, and compliance controls, and risk management, is conducted at least annually.</p> <p>Reference document:</p> <ul style="list-style-type: none"> • AP Manual on Corporate Governance (Sec VIII.C.2.a.iii. Audit Committee, page 18) https://www.bpi.com.ph/personal/insurance/ayala-plans/governance 	
<p>2. Company has an adequate and effective enterprise risk management framework in the conduct of its business.</p>	<p>COMPLIANT</p>	<p>Ayala Plans generally follows the enterprise risk management framework of BPI Parent to ensure standardization and consistency across the BPI Group.</p> <p>Reference document</p> <ul style="list-style-type: none"> • BPI website (Enterprise Risk Management) https://www.bpi.com.ph/about-bpi/governance/enterprise-risk-management 	

Recommendation 12.2

<p>1. Company has in place an independent internal audit function that provides an independent and objective assurance, and consulting services designed to add value and improve the company's operations.</p>	<p>COMPLIANT</p>	<p>Ayala Plans is being audited by the BPI Internal Audit, a Division of BPI (Parent Company)</p> <p>Reference document:</p> <ul style="list-style-type: none"> • BPI website (Internal Audit and Control) https://www.bpi.com.ph/about-bpi/governance/audit 	
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Recommendation 12.3			
1. The company has a qualified Chief Audit Executive (CAE) appointed by the Board.	COMPLIANT	The Internal Audit Division is headed by the Chief Audit Executive (CAE) who is appointed by BPI Board, and reports functionally to the Board through the Audit Committee and administratively to the President and CEO. As of December 31, 2023, BPI's Chief Audit Executive is VP Anna Liza O. Bobadilla.	
2. CAE oversees and is responsible for the internal audit activity of the organization, including that portion that is outsourced to a third party service provider.	COMPLIANT	<p>BPI Internal Audit has no outsourced activity to a third-party provider.</p> <p><u>Reference document:</u></p> <ul style="list-style-type: none"> • BPI website (Internal Audit and Control) https://www.bpi.com.ph/about-bpi/governance/audit 	
3. In case of a fully outsourced internal audit activity, a qualified independent executive or senior management personnel is assigned the responsibility for managing the fully outsourced internal audit activity.	COMPLIANT	<p>This is not applicable to AP as a subsidiary of BPI which has an in-house Internal Audit Division and does not outsource activity to a third-party provider.</p> <p><u>Reference document:</u></p> <ul style="list-style-type: none"> • BPI website (Internal Audit and Control) https://www.bpi.com.ph/about-bpi/governance/audit 	
Recommendation 12.4			
1. The company has a separate risk management function to identify, assess and monitor key risk exposures.	COMPLIANT	AP ensures that the best practices in enterprise risk management (ERM) across its businesses and processes are performed and aligned with BPI's (Parent Company). The established ERM of BPI and capital management framework enables the company to identify, measure, control, and monitor its significant financial and non-financial risk exposure, ensure adequate	

		<p>liquidity, and set aside sufficient amounts of capital to cover and mitigate such risks.</p> <p>The BPI Unibank Risk Management Committee (RMC), as done with all of BPI Group members, shall oversee and manage AP's exposure to risks.</p> <p>Reference document:</p> <ul style="list-style-type: none"> • AP Manual on Corporate Governance (Sec IX Risk Management, page 24) https://www.bpi.com.ph/personal/insurance/ayala-plans/governance • BPI website (Enterprise Risk Management) https://www.bpi.com.ph/about-bpi/governance/enterprise-risk-management 	
Recommendation 12.5			
1. In managing the company's Risk Management System, the company has a Chief Risk Officer (CRO), who is the ultimate champion of Enterprise Risk Management (ERM).	COMPLIANT	<p>As of December 31, 2023, BPI's Chief Risk Officer is SVP Ma. Cristina F. Asis.</p> <p>Filipino, 53 years old, Ms. Asis is the Chief Risk Officer (CRO) of the BPI Group of Companies and Head of its Risk Management Office since July 2023. As the CRO, her primary role involves overseeing the management of our enterprise risks – ensuring that all relevant financial and non-financial risks are appropriately identified, measured, controlled, and monitored within our approved risk appetite and commensurate to returns on capital. She provides executive and strategic risk support to the Board of Directors, through the Risk Management Committee (RMCom), in fulfilling its risk management function and ensuring that the Bank has a robust Enterprise Risk Management (ERM) framework. She works closely with the Chief</p>	
2. CRO has adequate authority, stature, resources and support to fulfill his/her responsibilities.	COMPLIANT		

		Audit Executive and Chief Compliance Officer and actively contributes to effective risk management governance, compliance, and control processes across the Bank.	
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.			
Recommendation 13.1			
1. Board ensures that basic shareholder rights are disclosed in the Manual on Corporate Governance.	COMPLIANT	Reference document: <ul style="list-style-type: none"> AP Manual on Corporate Governance (Sec XVI. Stockholder's right and protection of minority stockholders interests, pages 31 to 33) https://www.bpi.com.ph/personal/insurance/alyala-plans/governance 	
2. Board ensures that basic shareholder rights are disclosed on the company's website.	COMPLIANT	Reference document: <ul style="list-style-type: none"> AP Manual on Corporate Governance (Sec XVI. Stockholder's right and protection of minority stockholders interests, pages 31 to 33) https://www.bpi.com.ph/personal/insurance/alyala-plans/governance 	
Recommendation 13.2			
1. Board encourages active shareholder participation by sending the Notice of Annual and Special Shareholders' Meeting with sufficient and relevant information at least 21 days before the meeting.	COMPLIANT	The written notice and agenda of the annual stockholders' meeting were sent out to stockholders of record at least 21 days before the scheduled annual stockholders' meeting. Reference document: <ul style="list-style-type: none"> AP Website Notice of Annual Stockholders Meeting https://www.bpi.com.ph/personal/insurance/alyala-plans/disclosures 	

Recommendation 13.3			
1. Board encourages active shareholder participation by making the result of the votes taken during the most recent Annual or Special Shareholders' Meeting publicly available the next working day.	COMPLIANT	Reference document: <ul style="list-style-type: none"> • AP Website Minutes of Annual Stockholders Meeting https://www.bpi.com.ph/personal/insurance/alyala-plans/disclosures 	
2. Minutes of the Annual and Special Shareholder's Meetings are available on the company website within five business days from the end of the meeting.	COMPLIANT	Reference document: <ul style="list-style-type: none"> • AP Website Minutes of Annual Stockholders Meeting https://www.bpi.com.ph/personal/insurance/alyala-plans/disclosures 	
Recommendation 13.4			
1. Board has an alternative dispute mechanism to resolve intra-corporate disputes in an amicable and effective manner.	COMPLIANT	AP adopts the alternative dispute mechanism of BPI Parent to ensure standardization and consistency across the BPI Group. Reference document: <ul style="list-style-type: none"> • AP Manual on Corporate Governance (Sec XVI.B. Alternative Dispute Mechanism, page 33) https://www.bpi.com.ph/personal/insurance/alyala-plans/governance 	
2. The alternative dispute mechanism is included in the company's Manual on Corporate Governance.	COMPLIANT	Reference document: <ul style="list-style-type: none"> • AP Manual on Corporate Governance (Sec XVI.B. Alternative Dispute Mechanism, page 33) https://www.bpi.com.ph/personal/insurance/alyala-plans/governance 	
Duties to Stakeholders			
Principle 14: The rights of stakeholders established by law, by contractual relations and through voluntary commitments must be respected. When stakeholders' rights and/or interests are at stake, stakeholders should have the opportunity to obtain prompt effective redress for the violation of their rights.			

Recommendation 14.1			
1. Board identifies the company's various stakeholders and promotes cooperation between them and the company in creating wealth, growth and sustainability.	COMPLIANT	The Board shall be committed to respect the rights of the stockholders. <u>Reference document:</u> <ul style="list-style-type: none"> • AP Manual on Corporate Governance (Sec XVI. Stockholder's Right and Protection of Minority Stockholders Interests, pages 31 to 33; Section XVII. Duty of Directors to Promote Stockholders Rights, page 33) https://www.bpi.com.ph/personal/insurance/ayala-plans/governance 	
Recommendation 14.2			
1. Board establishes clear policies and programs to provide a mechanism on the fair treatment and protection of stakeholders.	COMPLIANT	Same reference as provided above Recommendation 14.1.	
Recommendation 14.3			
1. Board adopts a transparent framework and process that allow stakeholders to communicate with the company and to obtain redress for the violation of their rights.	COMPLIANT	Same reference as provided above Recommendation 14.1.	
Principle 15: A mechanism for employee participation should be developed to create a symbiotic environment, realize the company's goals and participate in its corporate governance processes.			
Recommendation 15.1			
1. Board establishes policies, programs and procedures that encourage employees to actively participate in the realization of the company's goals and in its governance.	COMPLIANT	Ayala Plans adheres to the policies and programs of BPI Parent to ensure standardization and consistency across the BPI Group. <u>Reference document:</u> <ul style="list-style-type: none"> • BPI 2022 Integrated Annual Report (Social pages 86 to 93) 	

		https://www.bpi.com.ph/about-bpi/investor-relations/integrated-reports	
Recommendation 15.2			
1. Board sets the tone and makes a stand against corrupt practices by adopting an anti-corruption policy and program in its Code of Conduct.	COMPLIANT	<p>Ayala Plans generally adopts the same Code of Business Conduct and Ethics and Anti-Corruption Policy of BPI Parent to ensure standardization and consistency across the BPI Group.</p> <p>Reference document:</p> <ul style="list-style-type: none"> • BPI website (Anti-Bribery and Anti-Corruption Policy) https://www.bpi.com.ph/about-bpi/governance/conflict-of-interest-and-other-policies/anti-bribery-anti-corruption-policy 	
2. Board disseminates the policy and program to employees across the organization through trainings to embed them in the company's culture.	COMPLIANT	<p>Ayala Plans generally adopts the same Code of Business Conduct and Ethics and Anti-Corruption Policy of BPI Parent to ensure standardization and consistency across the BPI Group.</p> <p>Bank policies are recorded in the electronic databases readily accessible for all Bank employees. Bank policies are also regularly announced via internal e-mail facility to ensure constant top-of-mind awareness of employees of the need to comply with these policies.</p> <p>Reference document:</p> <ul style="list-style-type: none"> • BPI 2022 Integrated Annual Report (Dissemination of the Codes and and Training on the Codes of Conduct, pp 128-131) https://www.bpi.com.ph/about/investor-relations/integrated-reports • Code of Business Conduct and Ethics 	

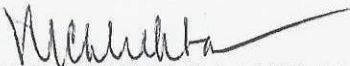
		https://www.bpi.com.ph/about-bpi/governance/board-and-governance/business-conduct-ethics	
Recommendation 15.3			
1. Board establishes a suitable framework for whistleblowing that allows employees to freely communicate their concerns about illegal or unethical practices, without fear of retaliation.	COMPLIANT	Ayala Plans generally adopts the same Whistleblowing Policy of BPI Parent to ensure standardization and consistency across the BPI Group and for an effective management and oversight of whistleblowing concerns.	
2. 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	Reference document: <ul style="list-style-type: none"> • BPI Website (Whistleblowing Policy) https://www.bpi.com.ph/about-bpi/governance/conflict-of-interest-and-other-policies/raising-integrity-concerns 	
3. Board supervises and ensures the enforcement of the whistleblowing framework.	COMPLIANT	Ayala Plans generally adopts the same Whistleblowing Policy of BPI Parent to ensure standardization and consistency across the BPI Group and for an effective management and oversight of whistleblowing concerns. Reference document: <ul style="list-style-type: none"> • BPI Website (Whistleblowing Policy) https://www.bpi.com.ph/about-bpi/governance/conflict-of-interest-and-other-policies/raising-integrity-concerns 	
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.			

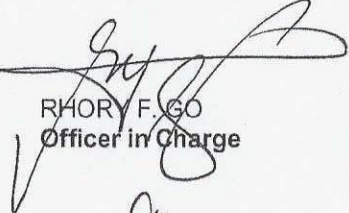
Recommendation 16.1			
<p>1. Company recognizes and places importance on the interdependence between business and society, and promotes a mutually beneficial relationship that allows the company to grow its business, while contributing to the advancement of the society where it operates.</p>	<p>COMPLIANT</p>	<p>Ayala Plans regularly participates through BPI Parent community and environment-related programs and activities.</p> <p>Reference document:</p> <ul style="list-style-type: none"> • BPI 2022 Integrated Annual Report (ESG Matters, pp. 5-101) https://www.bpi.com.ph/about-bpi/investor-relations/integrated-reports • BPI Website https://www.bpifoundation.org/ https://www.bpi.com.ph/about-bpi/governance/stakeholder/environment-friendly-value-chain 	

CERTIFICATION

The undersigned certify that the responses and explanations set forth in the above Ayala Plans Incorporation Annual Corporate Governance Report covering 2023 are true, complete and correct of our own personal knowledge and/or based on authentic records.

Signed in the City of Makati on the MAY 23 2024 of 20 2024.



 MARIA CONSUELO A. LUKBAN
 Chairman of the Board


 RHORY F. GO
 Officer in Charge


 DENNIS T. TUDDAO
 Corporate Secretary








 ELMINA R. ESTRELLA
 Corporate Governance
 Compliance Officer


 CESAR A. TEJADA
 Independent Director


 JOSE FERDINAND B. DE LUZURIAGA
 Independent Director


MAY 23 2024

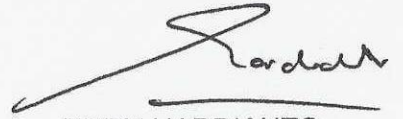
SUBSCRIBED AND SWORN to before me this _____ day of _____, 20____, by the following who are all personally known to me (or whom I have identified through competent evidence of identity) and who exhibited to me their respective identification document as follows:

NAME	PASSPORT NO./DRIVER'S LICENSE NO./UMID NO.	DATE/PLACE ISSUED
1. Maria Consuelo A. Lukban		March 13, 2018 / DFA Manila
2. Rhory F. Go		March 4, 2022
3. Dennis T. Tuddao		June 27, 2022 / DFA Manila
4. Jose Ferdinand B. De Luzuriaga		
5. Cesar A. Tejada		July 27, 2018 / DFA NCR East
6. Elmina R. Estrella		May 18, 2018 / DFA NCR West

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ATTY. JOEL FERRER FLORIS
 Notary Public for Makati City
 Until December 31, 2024
 Appointment No. M-115(2023-2024)
 by No. 77376
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 MCLC Compliance VIII NO. 0001393-
 Jan. 03, 2023 Until Apr. 14, 2028
 ETR No. 10073945/ Jan. 02, 2024/Makati City
 IBP No. 330740/ Jan. 02, 2024/Pasig City
 1107 D Eusebio St., Guadalupe Nueva, Makati City



ERRY HARDIANTO
Independent Director



SUBSCRIBED AND SWORN to before me this _____ day of _____, 20____, by the affiant personally known to me (or whom I have identified through competent evidence of identity) and who exhibited to me his identification document with the following details:

NAME	PASSPORT NO.	DATE/PLACE ISSUED
Erry Hardianto	[REDACTED]	September 22, 2022 / Jakarta Barat, Indonesia

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Page No. _____;
Book No. _____;
Series of 20 _____;