



AUDIT COMMITTEE CHARTER

INTRODUCTION

This Audit Committee Charter has been developed by Senior Management and approved by the Board of Directors (the "Board"). The charter defines the purpose, authority and responsibilities of the Audit Committee (the "Committee").

COMPOSITION

The Committee shall be composed of three (3) independent directors, one (1) of whom shall act as Chairman. Each member shall have an adequate understanding of the insurance industry and its practices and the Company's financial management systems.

AUTHORITY

The Committee has the authority to authorize inquiries and/or investigations of any matter within its scope of responsibility. The Board has mandated management and employees to cooperate fully with the Committee members.

The Committee is empowered to:

- Recommend the appointment of external auditors whose reports they will review.
- Recommend resolutions of any disagreements between management and the external auditor regarding financial reporting.
- Monitor the system of internal controls and corporate compliance with laws, regulations and code of ethics, specifically where they relate to mandate from the Office of the Insurance Commissioner.
- **Recommend the appointment of the Internal Audit Head and delegate its responsibilities on the appointment of other internal auditors.**
- Serve as direct channel of communication to the Board for the internal auditors, compliance officers, and the general counsel.
- Hire independent advisers when necessary.

MEETINGS

The Committee shall meet at least every quarter or more frequently as the circumstances require.

The Committee may invite members of management, external and/or internal auditors or others to attend meetings and provide pertinent information as necessary. Meeting agenda will be prepared and provided in advance and minutes of the meetings will be furnished all those present.

RESPONSIBILITIES

The Committee will review, at least, the annual financial statements and recommend their approval to the Board. The Committee will inform the Board if there were any changes in accounting policies and practices, significant adjustments arising from the audit, compliance with tax, legal and other regulatory requirements.

The Committee will perform oversight financial management to assist the Board. It will also monitor and evaluate the adequacy and effectiveness of the Company's internal control system.

The Committee will be furnished copies of all internal and external audit reports and will ensure that recommendations affecting the internal control system are adequately addressed by the Company's management.

The Committee will ensure that the internal auditors shall have free and full access to all the Company's records, properties and personnel relevant to the internal audit activity, and that the said activity should be free from interference thereby preserving the objectivity of the internal auditors.

The Committee will evaluate and determine justification for non-audit work by the external auditors and review the propriety of the non audit work fees.

REPORTING RESPONSIBILITIES

The Committee will periodically report to the Board about its activities, issues and related recommendations. The Committee will review any reports of the Company issues that relate to Committee responsibilities.

OTHER RESPONSIBILITIES

The Committee will perform other activities related to this charter as requested by the Board. The Committee will institute and oversee special investigations as needed.

REVIEW OF CHARTER

The Committee will periodically review this Charter and assess its adequacy. The Committee will recommend any proposed amendment to the Board for approval.



NOMINATION COMMITTEE CHARTER

I. Purpose: Responsibilities and Authority

The Committee shall assist Philamlife Board of Directors in carrying out its responsibilities relating to stewardship and governance. In furtherance of this purpose Philamlife Nomination Committee shall have the following responsibilities and authority:

- a. The Committee shall recommend to the Board criteria for Board membership. In making its recommendation, the Committee shall consider the competencies and skills that the Board, as a whole, should possess and the competencies and skills of each current director. The Committee shall review with the Board, on an annual basis, the requisite skills and criteria for Board members as well as the composition and size of the Board as a whole in order to ensure that the Board has the requisite expertise, that its membership consists of persons with sufficiently diverse and independent backgrounds, and that its membership consists of an appropriate mix of inside, outside, and independent directors.
- b. The Committee shall identify and recommend to the Board individuals qualified to become Board members, consistent with criteria approved by the Board. The Committee shall be responsible for recommending to the Board the nominees for election as directors at any meeting of shareholders and the persons to be appointed by the Board to fill any vacancies on the Board. The Committee may adopt procedures regarding director candidates proposed by the shareholders.
- c. The Committee shall consider questions of independence and possible conflicts of interest of members of the Board and of senior managers and make recommendations regarding such matters to the Board, including the criteria for determining director independence.
- d. The Committee shall, on an annual basis, recommend assignments to committees of the Board, including recommendations as to chairmen of committees of the Board, review and make recommendations to the Board concerning the types, duties, functions, size, and operation of committees of the Board, review the adequacy of charters of all committees of the Board and make recommendations to the Board for any changes to such charters.
- e. The Committee shall, on an annual basis, oversee the evaluation of the Board and its committees to determine whether the Board, its members, and its committees are functioning effectively. The Committee shall determine the nature of the evaluation, supervise the conduct of the evaluation and prepare an assessment of performance of the Board and its committees, to be discussed with the Board.
- f. The Committee shall manage Board and committee succession planning.

II. Structure and Membership

- a. **Number.** The Committee shall consist of at least three (3) persons unless the Board should from time to time otherwise determine.
- b. **Selection and Removal.** Members of the Committee shall be appointed by the Board, upon the recommendation of the Committee. The Board may remove members of the Committee at any time with or without cause.
- c. **Independence.** At a minimum one (1) member of the Committee shall be independent as determined under the IC-CGPLP.
- d. **Chair.** Unless the Board elects a Chair of the Committee, the Committee shall elect a Chair by majority vote.
- e. **Compensation.** The compensation of the Committee shall be determined by the Board.
- f. **Term.** Members of the Committee shall be appointed for one-year term. Each member shall serve until his or her replacement is appointed, or until he or she resigns or is removed from the Board or the Committee.

III. Procedures and Administration

- a. **Meetings.** The Committee shall meet as often as it deems necessary in order to perform its responsibilities. The Committee shall keep minutes of its meetings and any other records as it deems appropriate.
- b. **Subcommittees.** The Committee may form and delegate authority to one or more subcommittees, which may consist of one or more members, as it deems necessary or appropriate from time to time under the circumstances.
- c. **Report to the Board.** The Committee shall report (orally or otherwise) regularly to the Board following meetings of the Committee with respect to such matters as are relevant to the Committee's discharge of its responsibilities, and shall report in writing on request of the Chairman of the Board.
- d. **Charter.** The Committee shall, at least annually, review and reassess the adequacy of this Charter and recommend any proposed changes to the Board for approval.
- e. **Independent Advisors.** The Committee shall have the authority to engage such independent legal and other advisors as it deems necessary or appropriate to carry out its responsibilities. Such independent advisors may be regular advisors of the Company. The Committee is empowered, without further action by the Board, to cause the Company to pay appropriate compensation to advisors engaged by the Committee.
- f. **Investigations.** The Committee shall have the authority to conduct or authorize investigations into any matters within the scope of its responsibilities as it deems appropriate, including the authority to request any Officer or other person to meet with the Committee.
- g. **Annual Self-Evaluation.** The Committee shall evaluate its own performance at least annually.

IV. Additional Powers

The Committee shall have such other duties as may be delegated from time to time by the Board of Directors.