



## **GOVERNANCE, NOMINATION AND COMPENSATION COMMITTEE** **CHARTER**

### **I. Responsibilities and Authority**

The Committee shall assist the Philam Life Board of Directors in ensuring compliance with and proper observance of corporate governance principles and practices. The Committee shall also ensure the observance of the nomination and compensation policies and functions of the Board. In furtherance of this purpose Philam Life Governance, Nomination and Compensation Committee shall have the following responsibilities and authority:

#### **Governance Functions:**

- a. Oversee the adoption and implementation of the corporate governance policies and framework of the Corporation and periodically review said framework to ensure it remains appropriate in light of material changes to the Corporation's size, complexity and business strategy, as well as its business and regulatory requirements;
- b. Oversee the periodic performance evaluation of the Board and its Committees as well as the executive management to determine whether the Board, its members, the Board Committees, the Chairman, and the CEO are functioning effectively, and conducts an annual self-evaluation of its performance; and ensure that the results of the Board evaluation are shared and discussed, and concrete action plans are developed and implemented to address the identified areas for improvement;
- c. Recommend assignments to Board Committees, including the types, duties, functions, size, and operations of said Board Committees; Review the adequacy of charters of all Board Committees and make recommendations to the Board for any changes to such Charters;
- d. Recommend succession plan for the members of the Board and senior officers; and remuneration packages for corporate and individual performance;
- e. Recommend and plan continuing education and relevant trainings for the members of the Board;

#### **Board Nomination Functions:**

- f. Determine the nomination and election process, criteria and qualifications of the members of the Board and other appointments that require Board approval. The Committee shall consider the competencies, skills, and experience that the Board, as a whole, should possess, and the knowledge, competencies, skills and experience of each current director. The Committee shall review with the Board, as necessary and appropriate, 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 possesses a record of integrity and good repute, and that its membership consists of an appropriate mix of inside, outside, and independent directors.

- g. Identify and recommend to the Board individuals qualified to become members of the Board, consistent with the criteria and qualifications approved by the Board or the Committee. 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 shall always encourage shareholders' participation by accepting nominations from minority shareholders.
- h. Consider questions of independence and possible conflicts of interest of members of the Board and make recommendations regarding such matters to the Board, including the criteria for determining director independence.

#### **Board Compensation Functions:**

- i. Establish a formal and transparent procedure to develop a policy on remuneration of directors and senior officers, as required by the Board, to ensure that their compensation is consistent with Corporation's culture, strategy, as well as the business environment in which it operates.
- j. Recommend to the Board the form and amount of compensation to be paid by the Company to the directors for services on the Board and on Board Committees. The Committee shall review director compensation at least on an annual basis.
- k. Review and approve the Company's compensation structure and incentive compensation programs, and recommends changes in or additions to such structure and plans to the Board of Directors as needed.

#### **Others Authorities and Functions:**

- l. Perform such other functions as may be delegated by the Board or required by law or the regulators.

## **II. Structure and Membership**

- a. **Composition and Quorum.** The members of the Governance, Nomination and Compensation Committee shall be appointed by the Board and shall consist of three (3) members of the Board, at least one (1) of whom shall be an independent non-executive Director, unless the Board should from time to time otherwise determine. Attendance of at least two (2) members of the Committee shall be required to constitute a quorum.
- b. **Committee Chairman.** The Chairman of the Governance, Nomination and Compensation Committee shall be an Independent Director who shall be appointed by the Board.
- c. **Compensation.** The compensation of the members of the Committee shall be determined by the Board.

- d. **Term.** Each member of the Governance, Nomination and Compensation Committee shall serve for one (1) year, or until his replacement is duly appointed. The Board may re-appoint or replace any member of the Committee at its discretion.

### III. Procedures and Administration

- a. **Meetings.** The Committee shall meet at least twice a year or 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. The Committee Chairman may call a meeting of the Committee if so requested by any of its member, the Chairman of the Board or the CEO.

An agenda and accompanying meeting materials should be sent in full to all members of the Committee in a timely manner and at least three (3) business days before the intended date of a meeting of the Committee.

Meetings of the Committee may be in person or held through video or teleconference, and all required actions of the Committee may be taken through such means provided such actions are approved by a quorum of the Committee following notice to each member of the Committee.

Management is obliged to supply the Committee with complete and reliable information in a timely manner, in order to enable it to make informed decisions. Where a Director requires more information than is provided by Management, the relevant Director should make additional necessary enquiries. Each Director shall have separate and independent access to the Management. The Committee shall be provided with sufficient resources to discharge its duties.

- b. **Subcommittees.** The Committee may form and delegate authority to one or more sub-committees, 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 Review.** 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.