



## **COMPENSATION COMMITTEE CHARTER**

### **SECTION 1. FUNCTIONS**

The Compensation Committee (“Committee”) shall principally assist and make proper recommendation to the Board of Directors with the following functions:

- A.** To provide assistance to the Board in developing a compensation policy consistent with the culture, strategy and organizational structure of the company;
- B.** To establish a compensation programs including but not limited to long term incentive and/or equity-based plans for Officers and Executives; and
- C.** To provide assistance to the Board in evaluating the performance of Officers and Executives as well as the establishment of professional development programs of Officers.

### **SECTION 2. DUTIES AND RESPONSIBILITIES**

The following are the duties and responsibilities of the Committee:

- A.** To develop and formulate a corporate compensation policy in consistent with the company’s culture, strategy and organization structure subject for prior approval of the Board of Directors;
- B.** To conduct periodic review on the effectiveness and applicability of the company’s compensation policy and its implementing issuances or memorandum as may be determined by the Committee or the Board as a whole.
- C.** To review and approve corporate goals and objectives relevant to the compensation of the President and CEO, and set the compensation level of the President and CEO based on such evaluation. This is without prejudice to the evaluation of the Board in the performance of the President and CEO which may have direct effect on the performance of the company by providing long-term incentive component of his compensation.
- D.** To assist in the development of the Company’s over-all compensation or retention packages for Officers and personnel as well as the implementation of succession planning and retirement programs.
- E.** To regularly review and evaluate and make proper recommendation to the Board for any adjustments per diem allowances taking into

consideration the compensation practices in the insurance industry or its equivalent and the performance of the Company.

- F.** To ensure that Directors shall not receive any compensation, as such, except for reasonable per diems, unless such compensation is provided in the Articles of Incorporation and/or By-Laws including its amendments or granted by a vote of the stockholders representing at least a majority of the outstanding capital stock of the Company.
- G.** To ensure the compliance of reporting of the compensation of Directors and key management officers when required by the Insurance Commission to disclose the same.

### **SECTION 3. COMMITTEE COMPOSITION**

- a. The Committee shall be composed of at least three (3) members but not more than five (5) members. The members of the Committee including the Chairman, shall be appointed by the Board of Directors annually.
- b. The Chairman or any member of the Committee may be removed from office only by the Board of Directors.
- c. The Corporate Secretary shall provide the necessary staff support to the Committee upon its written request.

### **SECTION 4. COMMITTEE PROCEDURES**

#### **A. Meetings**

- (i).** The Committee shall hold meetings at such times and places as it considers appropriate provided that at least one (1) meeting shall be held yearly.
- (ii).** Meetings of the Committee shall be presided by the Chairman of the Committee either upon his own initiative to call a meeting or upon the request of a majority of the members of the Committee.
- (iii).** Notice of meeting shall be put in writing specifying the place, date and time and the corresponding agenda. The Corporate Secretary shall ensure receipt of the notice at least one (1) week of the intended date of meeting, except in case of urgency as may be determined by the Chairman of the committee.

- (iv).** Notice of a meeting of the Committee shall be deemed duly served upon a Member if it is given to him personally, in writing or orally, or sent to him by registered mail or through a private courier to his address, e-mail address as provided by him to the Corporate Secretary.
- (v).** A majority of all the Members of the Committee shall constitute a quorum.
- (vi).** Members of the Committee may participate in a meeting of the Committee through tele-conference or video-conference.
- (vii).** Any resolutions of the Committee constituting a quorum shall be passed upon by a majority votes of the members present at such meeting. Each member is counted as one (1) vote. In case of conflict of interest or he has material interest to the subject matter to be voted or resolved upon, such member shall be prohibited to cast his vote. In case of a tie, the resolution shall be automatically referred to the Board constituted as a Committee of the Whole and majority of the Committee of the Whole constituting the quorum may be passed upon.

## **B. Minutes and Records**

- (i).** The Committee shall appoint the Corporate Secretary or any deputized officer under the direct control and supervision of the Corporate Secretary who shall issue notices and agenda for the meetings; disseminate meeting materials, if necessary; prepare minutes of meetings of the Committee and keep books and records of the Committee.
- (ii).** The Committee shall cause records to be kept for the following:
  - a.** Appointment, removal and resignation of members of the Committee;
  - b.** All agenda and other documents of the Committee; and
  - c.** Minutes of proceedings and meetings of the Committee.
- (iii).** Any such books and records shall be open for ocular inspection by any Member of the Committee upon reasonable prior notice during usual office hours and working day of the company.

- (iv). The minutes of the meeting of the Committee duly signed by the Chairman of the Committee shall be considered conclusive evidence of the proceedings and resolutions of such meeting.
  
- (v). The Corporate Secretary shall ensure that the draft and final versions of the minutes of Committee meetings shall be sent to all Committee Members who attended the meeting, for their comment and records, within a reasonable period of time after the meeting but in no case shall exceed more than thirty (30) days from such meeting.

#### **SECTION 5. REMUNERATION OF MEMBERS**

Only per diem or allowances authorized and approved by the Board shall be given with respect to their attendance at meetings of the Committee.

#### **SECTION 6. COMMITTEE REPORTS AND PERFORMANCE EVALUATION**

- A. The Committee shall report its activities to the Board on a regular basis and other matters as may deem it necessary.
  
- B. The Committee shall prepare its annual performance evaluation and set its goals and objectives for the following year and subject for further review of the Board.

#### **SECTION 7. AMENDMENT, ALTERATION OR MODIFICATION**

This Charter shall be amended, altered or modified by the majority vote of the Board constituting a quorum called for the purpose.