



**ALLIEDBANKERS INSURANCE CORPORATION
CORPORATE GOVERNANCE COMMITTEE
CHARTER**

Table of Contents

I.	Purpose	3
II.	Membership	3
III.	Schedule and Conduct of Meetings	3
IV.	Duties, Roles and Responsibilities	4
V.	Diversity Measurement	7
VI.	Performance Evaluation and Continuous Improvement	7
VII.	Miscellaneous.....	7

I. Purpose

The Corporate Governance Committee (the “CGC”) Charter shall assist the Board of Directors (the “Board”) in performing oversight role in relation to the following:

1. Compliance to the Corporation’s Manual on Corporate Governance. This Manual adopts the good governance principles and practices recommended under the 2020 Code of Corporate Governance for Insurance Companies of the Insurance Commission and related corporate governance circulars of the Securities and Exchange Commission (the “SEC”) and other government agencies.
2. Shall establish the standards and principles for the selection of candidates to the Board of Directors, selects candidates for the election or re-election to the Board of Directors and prepares a proposal for the Board of Directors decision. The Committee shall as well be responsible for appointing, and where necessary removing Executive Directors, and key personnel of the Corporation.
3. Have the prime role in providing the remuneration packages and benefits of directors, key officers and personnel of the Corporation.

II. Membership

1. **Composition** – The CGC shall be composed of at least three (3) members, majority whom shall be independent directors including the Chairman. The Committee shall elect a Chairman among the members, who shall ensure the effective interaction among Committee members and, as necessary, with relevant members of Management.

If the Chairman is not an independent director, the CGC must elect a lead independent director within the Committee to ensure that there is sufficient check and balances.

2. **Term** – The Board shall appoint the members of the Committee at its annual organizational meeting and each member shall serve upon his election until the next organizational meeting of the Board, unless removed or replaced by the Board.
3. **Vacancy** – any vacancy in the Committee caused by death, resignation, or disqualification of any member, or by any other cause, may be filled by the Board. The member elected to fill the vacancy shall hold office for the remainder of the term, or until his successor shall have been duly elected and disqualified.

III. Schedule and Conduct of Meetings

1. **Frequency** – The CGC shall meet at least twice (2) a year, or more frequently, as needed. The Chairman of the Committee shall determine the agenda for meetings of the Committee. The agenda shall be sent to members of the Committee at least two (2)

business days prior to each meeting, along with supporting materials for each agenda item. The Committee shall also make regular reports of its proceedings to the BOD for notation.

Members may participate in meetings through video/teleconference or any other similar means. Members may give their consent or approval to an item in the agenda in writing or by any electronic means.

A quorum shall be achieved when there are at least two thirds (2/3) of the CGC is present during the meeting.

If in case, the Committee Chairman is unavailable, he will delegate his replacement, and may ask another member of the committee to preside over the meeting.

2. **Minutes of Meeting** – Minutes of the Committee meetings shall be kept and members shall be furnished copies thereof and any action taken or resolution decided.

Attendance of members at Committee meetings shall be recorded and properly disclosed for the information of shareholders and other stakeholders through relevant annual reports and the company website.

3. The designated Corporate Secretary of the Board will be responsible for recording and documenting the minutes of the meeting.
4. The designated Secretariat of the Corporate Governance Committee will be responsible preparing the materials for the meeting and keeping all relevant records of the CGC.
5. The Committee may invite such other officers, employees and external parties to its meetings, as it deems necessary.

IV. Duties, Roles and Responsibilities

1. Corporate Governance

- a. Oversees the implementation of the corporate governance framework and periodically reviews the said framework to ensure that it remains appropriate in light of material changes to the corporation's size, complexity and business strategy, as well as its business and regulatory environments;
- b. Oversees the periodic performance evaluation of the Board and its committees as well as executive management, and conducts an annual self-evaluation of its performance;

- c. Ensures that the results of the Board evaluation are shared, discussed, and that concrete action plans are developed and implemented to address the identified areas for improvement;
- d. Recommends continuing education/training programs for directors, assignment of tasks/projects to board committees, succession plan for the board members and senior officers, and remuneration packages for corporate and individual performance;
- e. Adopts corporate governance policies and ensures that these are reviewed and updated regularly, and consistently implemented in form and substance;
- f. Determines the nomination and election process for the company's directors and has the special duty of defining the general profile of board members that the company may need and ensuring appropriate knowledge, competencies and expertise that complement the existing skills of the Board; and
- g. Establishes a formal and transparent procedure to develop a policy for determining the remuneration of directors and officers that is consistent with the corporation's culture and strategy as well as the business environment in which it operates.
- h. This Charter shall be reviewed by the Committee annually, or sooner, as it deems necessary to ensure its validity and relevance. Any proposed changes shall be approved by the Committee for concurrence by the BOD.

2. Nomination

- a. Installs and maintains a process to ensure that all directors to be nominated for election at the next annual stockholders' meeting (ASM) have the qualifications and none of the disqualifications stated in our nomination policy. The Committee shall advise the Board immediately for any awareness of knowledge of any suspected reputational risk or integrity issue on the nominees for election to the Board, and recommend to the Board any action necessary to mitigate such risk;
- b. Undertakes the process of identifying the qualifications of directors aligned with Corporation's vision, mission, core values and strategic directions;
- c. Encourages the selection of a mix of competent directors nominated by shareholders, including minority shareholders, each of whom can add value and create independent judgment as to the formulation of sound corporate strategies and policies while also ensuring the implementation of the Corporation's Board Diversity Policy;
- d. Reviews and evaluates the qualifications of all persons nominated to positions in the Corporation which require appointment by the Board; and

- e. Reviews and revises the succession plans for members of the Board and management.

3. Remuneration

- a. Establish a formal and transparent procedure for developing a policy on executive remuneration and for fixing the remuneration packages of officers and directors, and provide oversight over remuneration of Management and other key personnel ensuring that compensation is consistent with the Corporation's culture, strategy and control environment;
- b. Designate the amount of remuneration, which shall be in a sufficient level to attract and retain directors and officers who are needed to run the Corporation successfully;
- c. Establish a formal and transparent procedure for developing a policy on executive remuneration packages of individual directors of the Board, if any, and officers in line with the long-term interests of the Corporation;
- d. Formulate and adopt a policy specifying the relationship between remuneration and performance including, but not limited to, specific financial and non-financial metrics to ensure performance and delivery of quality of work among employees with significant influence on the overall risk profile of the Corporation;
- e. Fix the remuneration packages of Corporate Officers and provide oversight over remuneration of senior management and other key personnel ensuring that compensation is consistent with the Corporation's culture, strategy and control environment as well as commensurate to the responsibilities of individual roles;
- f. Disallow any director shall decide his or her own compensation except for uniform compensation to directors for their services as directors of the Board;
- g. Provide in the Corporation's annual reports, information and proxy statements a clear, concise and understandable disclosure of compensation of its executive officers for the previous fiscal years and the ensuing year;
- h. It shall perform such other duties, roles and responsibilities as may be delegated to it by the Board;
- i. The Committee shall be guided by the Corporation's Mission, Vision, Core Values, Corporate Objectives and strategic direction in the fulfillment of its functions; and

- j. All actions and resolutions of the Committee shall be presented to the Board for approval, including, but not limited to, relevant profiles and details of nominee directors to be elected during the Corporation's ASM.

V. Diversity Measurement

The Corporation is committed to creating a culture of diversity and inclusion around the Company. To ensure this expectation is consistently met, measurable objectives for fostering inclusive, diverse workgroups have been added to performance objectives to people leaders at the top levels of the organization, (i.e. Executive positions, Senior Executive positions, Non-Executive positions).

VI. Performance Evaluation and Continuous Improvement

The Committee shall conduct an annual self-assessment of its performance that is included in the annual Board self-assessment questionnaire, wherein members of the Board are given a venue to rate and comment on the performance of the Committee and its members. The self-assessment questionnaire shall benchmark the Committee's and its individual members' performance against the expectations set out in this Charter, the records of activities and operation of the Committee. As necessary, the Committee may also subject itself to an independent assessment by the Board relative to its performance in accordance with expectations set out in this Charter and its responsibilities.

Based on the results of the self-assessment, the Committee shall formulate and implement plans to improve its performance. All members shall be given the opportunity to attend professional and technical development courses and training programs, as necessary.

All documents and records pertinent to the assessment process shall be kept intact by the Compliance Officer, which may be examined by the Board and/or relevant regulatory agencies upon request.

VII. Miscellaneous

The Corporate Governance Committee (the "CGC") shall have direct access to, and complete and open communications with senior management, and may obtain advice and assistance from internal legal, accounting, and other advisors to assist it.

The CGC may retain independent legal, accounting and other advisors to assist it, and may determine the compensation of such advisors, and the Corporation shall be responsible for any costs or expenses so incurred.

The CGC shall be provided with sufficient resources to perform its duties. This document will be reviewed every two years or more frequently in the event that substantive changes are appropriate.