



**CHARTER OF THE NOMINATION  
COMMITTEE OF THE BOARD OF  
DIRECTORS OF ETIQA LIFE AND GENERAL  
ASSURANCE PHILIPPINES, INC.**

November 2019



*Updated and Approved by the Board on 28 November 2019  
Members Composition updated as at 28 November 2019*

**Charter of the Nomination Committee**

**CHARTER OF THE  
NOMINATION COMMITTEE OF THE BOARD OF DIRECTORS**

<b>Members</b>	:	vacant - Chairman (Independent Non-Executive)
		Ma. Victoria C. Viñas (Independent Non-Executive)
		Lee Hin Sze (Non-Independent Non-Executive)
<b>Secretary</b>	:	Atty. Raul M. Hebron General Counsel & Corporate Secretary

**1. PURPOSE**

- 1.1. In complying with the principles of good corporate governance, the Board of Directors (“the Board”) created the Nomination Committee of the Board (“the Nomination Committee”) mainly to (a) assist the Board in pre-screening and short-listing of all qualified candidates nominated to become directors and independent directors; and to (b) provide effective selection towards eliminating potential conflict of interest between a director and the Company;
- 1.2. To aid in evaluating the composition of the Board and its committees with respect to (a) Board size, organization, membership, and function; (b) Board committee structure, size, and membership; and, (c) succession planning for the executive management of the company; and,
- 1.3. To assist the Board in developing and implementing the Company’s corporate governance guidelines and in ensuring the independence of the Board as it exercises its corporate governance and policy-determining roles for the benefit of shareholders.

**2. MEMBERSHIP**

- 2.1. The minimum number of members is three (3). The Nomination Committee shall have an independent director as the Chairman and shall comprise of only non-executive directors, of which the majority shall be independent. The Board elects the members of the Committee at the annual organization meeting of the Board for terms of one (1) year, and until their successors are duly elected and qualified. Members shall serve at the pleasure of the Board.



*\*An independent non-executive director: (a) has never been an employee of the company or its subsidiaries; (b) is not a relative of any employee in the company; (c) provides no services to the company other than his non-executive position; (d) is not employed by any firm providing major services to the company; & (e) receives no compensation from the company other than director fees or stock options.*

- 2.2. The entire Committee or any individual Committee member may be removed from office with or without cause by the affirmative vote of a majority of the Board. Any Committee member may resign effective upon giving written notice to the Chairman of the Board (unless the notice specifies a later time for the effectiveness of such resignation).
- 2.3. In accordance with the Company's by-laws, consider and recommend to the Board whether to accept an incumbent director's offer to resign (as required by the Company's by-laws) in the event such director fails to receive the required vote for re-election. The director whose resignation is under consideration may not participate in any deliberation or vote of the Committee or Board regarding that resignation. Notwithstanding the foregoing, in the event that no nominee for director receives the vote required in the Company's by-laws, the Committee will make a final determination as to whether the Board will accept any or all resignations, including those resignations from the members of the Committee. The Committee and the Board may consider any factors they deem relevant in deciding whether to accept a director's resignation.

### **3. DUTIES & RESPONSIBILITIES**

In consultation with the Shareholders and the Board of Directors, the committee shall have the following duties and responsibilities:

- 3.1. The Nomination Committee shall pre-screen and shortlist all qualified candidates nominated to become a member of the Board of Directors in accordance with the following qualifications and disqualifications:

#### **3.1.1. Qualifications**

- 1) Holder of at least one (1) share of stock of the Corporation;
- 2) He shall be at least a college graduate or have sufficient experience in managing the business to substitute for such formal education;
- 3) He shall be at least twenty one (21) years old;
- 4) He shall have proven to possess integrity and probity; and
- 5) He shall be diligent.

#### **3.1.2. Disqualifications**

- 1) Any person finally convicted judicially of an offense involving moral turpitude or fraudulent act or transgressions;



- 2) Any person finally found by a competent court or other administrative body to have wilfully violated, or wilfully aided, abetted, counseled, induced, or procured the violation of, any provision of the Securities and Regulation Code, the Corporation Code, the Insurance Code or any other law, rule, regulation or order of said court, the Securities & Exchange Commission, *Bangko Sentral ng Pilipinas* & the Insurance Commission;
  - 3) Any person judicially declared to be insolvent;
  - 4) Any person finally found guilty by a foreign court or equivalent financial regulatory authority of any acts, violations or misconduct similar to any of the acts, violations or misconduct listed in the foregoing paragraphs; and
  - 5) Conviction by final judgment of an offense punishable by imprisonment for a period exceeding six (6) years, or a violation of the Corporation Code, committed within five (5) years prior to the date of his election or appointment.
- 3.1.3. Any of the following shall be a ground for the *temporary* disqualification of a director:
- 1) Refusal to fully disclose the extent of his business interest as required under the Securities Regulation Code and its Implementing Rules and Regulations. The disqualifications shall be in effect as long as his refusal persists;
  - 2) Absence or non-participation for whatever reason/s for more than fifty percent (50%) of all meetings, both regular and special, of the Board of Directors during his incumbency, or any twelve (12) month period during said incumbency. This disqualification applies for purposes of the succeeding election;
  - 3) Dismissal/termination from directorship in another listed corporation for cause. This disqualifications shall be in effect until he has cleared himself of any involvement in the alleged irregularity;
  - 4) Being under preventive suspension by the Corporation;
  - 5) If the independent director becomes an officer or employee of the same corporation he shall be automatically disqualified from being an independent director;
  - 6) Conviction that has not yet become final referred to in the grounds for the disqualification of directors.
- 3.2. In consultation with the executive or management committee/s, re-define the role, duties, and responsibilities of the Chief Executive Officer by integrating the dynamic requirements of the business as a going concern and future expansionary prospects within the realm of good corporate governance at all times.
- 3.3. The Nomination Committee shall consider the following in determining the allowable number of memberships in other corporate Boards of each director:



- 1) The nature of the business of the Corporations which he is a director;
- 2) Age of the director;
- 3) Number of directorships/active memberships and officerships in other corporations or organizations; and,
- 4) Possible conflict of interest.

The optimum number shall be related to the capacity of a director to perform his duties diligently in general.

The Chief Executive Officer and other executive directors shall submit themselves to a low indicative limit on memberships in other corporate Boards. The same low limit shall apply to independent, non-executive directors who serve as full-time executives in other corporations. In any case, the capacity of directors to serve with diligence shall not be compromised.

- 3.4. To make recommendations to the Board from time to time as to changes that the Committee believes to be desirable to the size and/or composition of the Board or any committee thereof.
- 3.5. To identify individuals believed to be qualified to become Board members (including conducting the appropriate and necessary inquiries into the backgrounds and qualifications of possible candidates), to recommend to the Board the nominees to stand for election as directors at the annual meeting of stockholders or, if applicable, at a special meeting of stockholders, and in each case to provide to the Board the Committee's assessment whether such individual would be considered independent. In the case of a vacancy in the office of a director (including a vacancy created by an increase in the size of the Board), the Committee shall recommend to the Board an individual to fill such vacancy. In recommending candidates for Board membership, the Committee shall take into consideration the criteria set forth in the Corporate Governance Guidelines, which include judgment, character, high ethics and standards, integrity, skills, diversity, experience with businesses and other organizations of comparable size, the interplay of the candidate's experience with the experience of other Board members, and the extent to which the candidate would be a desirable addition to the Board and any committees of the Board. As necessary, the Committee will establish additional criteria for the selection of new directors to serve on the Board. The Corporate Governance Guidelines shall set forth the nomination process with respect to Board membership. The Committee will consider nominations submitted by stockholders so long as such nominations are made in accordance with the procedures set forth in the Company's by-laws and the Corporate Governance Guidelines. The Committee will also consider candidates proposed by management and any member of the Board.
- 3.6. To develop and recommend to the Board standards to be applied in making determinations as to the absence of material relationships between the Company and a director or member of senior management, as well as making the initial assessment as to whether a director is otherwise independent under existing regulations. The Committee will also recommend to the Board any modifications to these standards that



the Committee deems desirable, and provide to the Board the Committee's assessment of which directors should be deemed independent under any recommended modifications of the standards.

- 3.7. To review the structure of the Board's committees and to recommend to the Board for its approval directors to serve as members of each committee, and where appropriate, make recommendations regarding the removal of any member of any committee. To identify, as needed, Board members qualified to fill vacancies on any committee of the Board (including this Committee) and to recommend that the Board appoint the identified member or members to the respective committee. In recommending a candidate for committee membership, the Committee shall take into consideration the factors set forth in the charter of that committee, if any, as well as any other factors it deems appropriate, including, without limitation, the consistency of the candidate's experience with the goals of the committee and the interplay of the candidate's experience with the experience of other committee members.
- 3.8. Recommend procedures for the Committee to exercise oversight of the evaluation of management and the Board. The Committee shall report to the Board following the end of each fiscal year with an evaluation of the Board's performance of its duties and responsibilities during the preceding fiscal year with the objective of improving the effectiveness of the Board. The performance evaluation shall be conducted in such manner as the Committee deems appropriate.
- 3.9. To annually conduct an evaluation of the performance of the Chief Executive Officer and, through its chairperson, to communicate this evaluation to the Chief Executive Officer and the chairperson of the Compensation Committee. The performance evaluation shall be conducted in such manner as the Committee deems appropriate.
- 3.10. Make recommendations to the Board with respect to potential successors to the Chief Executive Officer and, with the participation of the Chief Executive Officer, develop and recommend to the Board management succession and career development plans with respect to the Company's senior management including, the President, Chief Operating Officer, Chief Financial Officer, Chief Legal Officer, Chief Information Officer and any other officer that the Board deems necessary or appropriate. The Committee should review and concur in the management succession plan at least once a year.
- 3.11. Develop and recommend to the Board a set of Corporate Governance Guidelines applicable to the Company, and to review the Corporate Governance Guidelines at least once a year.
- 3.12. Review a director's continuation on the Board in the event that (i) a director's principal occupation or business association changes substantially from the position he or she held when originally invited to join the Board, (ii) a director becomes involved in a current or potential conflict of interest or (iii) a director becomes unable to spend the time required to carry out his or her responsibilities as a director or becomes disabled and recommend to the Board whether, under the circumstances, such director should continue to serve on the Board.
- 3.13. Review and reassess the adequacy of this charter annually and recommend to the Board any changes deemed appropriate by the Committee.



- 3.14. Any other duties or responsibilities expressly delegated to the Committee by the Board from time to time.

#### **4. MEETINGS**

- 4.1. The Committee shall meet at recommended frequency of four (4) times a year or at such other times as may be required, upon the call of the Chairman of the Committee or the Chairman of the Board. A majority of the members of the Committee shall constitute a quorum.

#### **5. COMMITTEE STRUCTURE & OPERATIONS**

- 5.1. The Board shall designate one member of the Committee to serve as Committee chairperson by a majority vote of the full Board. The chairperson shall determine the agenda (in consultation with the members of the Board and with management), the frequency and the length of meetings. In addition, any Board member shall be entitled to include additional subjects on the agenda for each Committee meeting, as applicable. Such chairperson shall establish such other rules as may from time to time be necessary and proper for the conduct of business of the Committee. In the event of a tie vote on any issue, the chairperson's vote shall decide the issue. The Committee shall meet in person or telephonically at least twice a year at a time and place determined by the Committee chairperson, with further meetings to occur, or actions to be taken by unanimous written consent, when deemed necessary or desirable by the Committee or its chairperson.
- 5.2. The Committee may invite members of management and other persons to its meetings as it may deem desirable or appropriate. The Committee shall report regularly (not less than once per year) to the Board summarizing the Committee's actions and any significant issues considered by the Committee.
- 5.3. The Committee may adopt the procedural rules for its meeting and the conduct of its business, not inconsistent with this Charter, the Company's bylaws, or applicable law. The Committee is governed by the same rules regarding meetings (including meetings by conference telephone or similar communications equipment), action without meetings, notice, waiver of notice, and quorum, and voting requirements as are applicable to the Board. Adequate provision will be made for notice to members of all meetings. One-third of the members, but not less than two, shall constitute a quorum, and all matters will be determined by a majority vote of the members present. The Committee may delegate all or a portion of the authority granted to it by the Board to one or more of the Committee members, senior executives, or subcommittees, subject to applicable plans, laws, regulations, and listing standards.
- 5.4. The Board approves the regular meeting schedule for the Committee each year. Additional meetings may occur, as the Committee or the Chair deem advisable. The Chairman of the Board, the Corporate Secretary, and the Committee Chair agree on the length of regular meetings and the need to schedule additional special meetings.



- 5.5. The annual Committee agenda and individual meeting agendas are developed by the Chairman of the Board and Corporate Secretary in consultation with the Committee Chair, with input from appropriate members of management and staff.
- 5.6. When present, the Chair will preside at Committee meetings. In his or her absence, Committee members present may appoint a chair pro temp. The Committee Chair reports to the Board on Committee meetings and actions, and the Corporate Secretary or an Assistant Corporate Secretary) keeps minutes of all Committee meetings, which are distributed to Committee members for review and approval.
- 5.7. The Committee may, in its discretion, delegate all or a portion of its duties and responsibilities to a subcommittee of the Committee.

## **6. RESOURCES**

- 6.1. The Compensation Committee will have the resources and authority necessary to discharge its duties and responsibilities.

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