

Remuneration for non-executive directors shall not include share options. If, options are granted, shareholders approval shall be sought in advance and any share acquired by way of an exercise of an option shall be held until at least one year after the non-executive director leaves the board. Holding of share options is relevant to determine the non-executive director's independence.

- g. Notice or contract periods shall be set at least one year or less. If it is necessary to offer longer notice or contract periods to new directors recruited from outside, such periods shall be reduced to one year or less after the initial period.
- h. There shall be formal and transparent procedures for developing policy on executive remuneration and for fixing the remuneration packages of individual directors.
- i. No director shall be involved in deciding his or her own remunerations.
- j. A form shall be developed on Full Business Interest Disclosure as part of the pre-employment requirements. For all incoming officers and senior managers, they shall declare under penalty of perjury all their existing business interests or shareholdings that may directly or indirectly affect the performance of their duties.
- k. Provide in the Company's Annual Report information and proxy statements, a clear, concise and understandable disclosure of compensation of its executive officer for the previous fiscal year and the ensuing year.
- l. Review the existing Human Resources Development and Personal Handbook, to strengthen provisions on conflict of interest, salaries, and benefit policies, promotion and career advancement directories and compliance of the personnel concerned with all statutory requirements that must be periodically met in their respective posts.

#### ***E. PERFORMANCE EVALUATION***

- a. A formal and rigorous annual evaluation of Philamlife Board of Directors own performance and that of its committees and individual directors shall be undertaken.
- b. Philamlife Chairman shall act on the results of the performance evaluation by recognizing the strengths and addressing the weaknesses of each director. He may propose appointment of new members to the Board or seek the resignation of directors.
- c. Performance evaluation of Philamlife Board of Directors, its committee and its individual directors shall be conducted and reported in the Annual Report.
- d. Performance evaluation of Philamlife Chairman shall be made by non-executive directors, led by the senior independent director, taking into account the views of executive directors.

#### ***F. ELECTION / RE-ELECTIONS***

- a. All Philamlife directors shall be subject to election by shareholders at the first annual general meeting after their nomination, and to re-election thereafter at intervals of no more than three years. The

names of directors submitted for election or re-election shall be accompanied by sufficient biographical details and any other relevant information to enable shareholders to have knowledge of their decision on their election.

- b. Each director shall represent all shareholders and shall be in a position to participate independently and objectively.
- c. Non-executive directors shall be elected for a specified term and removed in accordance with the Corporation Code of the Philippines.

#### **G. INFORMATION AND PROFESSIONAL DEVELOPMENT**

- a. Philamlife Chairman shall be responsible for ensuring that the directors receive accurate, timely, and complete information.
- b. Philamlife Chairman shall ensure that the directors continually update their skills, knowledge, and familiarity with the Company's goals and objective in order to fulfill their roles in the Board and/or Board Committees.
- c. Philamlife shall provide the necessary resources in developing and updating its director's knowledge and capabilities.
- d. Philamlife Corporate Secretary through the Chairman shall be responsible for advising the Board about governance matters.
- e. Philamlife Chairman shall ensure that as an integral element of the process of appointing new directors, the company provides an orientation and education program for new recruits to the Board.
- f. Philamlife Board of Directors shall ensure that directors, especially non-executive directors, have access to independent professional advice at companies' expense to discharge their responsibilities as directors. Committee shall be provided with sufficient resources to undertake their duties.
- g. All Philamlife directors shall have access to the advices and services of the Corporate Secretary, who is responsible to Philamlife Board of Directors in ensuring that Board procedures are complied with. Both the appointment and removal of the Corporate Secretary shall be decided by the Board.

### **ACCOUNTABILITY AND AUDIT**

#### **A. FINANCIAL REPORTING**

The Board responsibility to present a balanced and understandable assessment of the Company's financial position and projects.

- a. Philamlife Board of Directors shall ensure that it has a timely and accurate disclosure of all material matters, including the financial condition, performance, ownership, and governance of the Company.
- b. A fair and timely cost-efficient access to relevant information shall be provided to all parties having legitimate interest in Philamlife. Key financial information should be readily available to shareholders, policyholders, creditors, and claimants.
- c. Philamlife Board of Directors and the senior management level shall receive regular reports on key aspects of the operations of Philamlife. This shall include an analysis of premium growth, underwriting