

FPG INSURANCE CO., INC.

Corporate Governance Committee Terms of Reference

1. Objectives

The Corporate Governance Committee (the “Committee”) is tasked with ensuring compliance with and proper observance of corporate governance principles and practices. The Committee will also serve as the Remuneration and Nomination Committee of the Company.

2. Membership

It shall be composed of at least three (3) members of the Board, at least one (1) of whom shall be a non-executive director, preferably independent director.

3. Secretary

The Chairperson shall appoint the Secretary of the Committee.

4. Quorum and Voting

A quorum for a meeting is a majority of the members of the Committee, including one independent director. An affirmative vote of a majority of the members of the Committee participating in any meeting of the Committee is necessary for the adoption of any resolution.

5. Frequency and Place of Meetings

The Committee shall meet quarterly or as otherwise required by the Committee Chairperson. All meetings shall take place physically or by video conference, telephone conference or any other acceptable form of communication.

6. Minutes of Meetings

The Secretary shall minute the actions, recommendations and resolutions of all meetings of the Committee, including recording the names of those present and in attendance. Minutes of Committee meetings shall be circulated to all members of the Committee as soon as practicable after each meeting.

7. Duties and Responsibilities:

- 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;
- 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;

- 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;
- 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;
- Adopts corporate governance policies and ensures that these are reviewed and updated regularly, and consistently implemented in form and substance;
- Proposes and plans relevant trainings for the members of the Board;
- 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;
- 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.

8. Review

The Committee shall, at least once a year, review its own performance and TOR to ensure that it operates effectively.