

UCPB General Insurance Company, Inc. (COCOGEN)

Corporate Governance and Related Party Transactions Committee Charter

Purpose

The Corporate Governance and Related Party Transactions Committee is appointed by the Board to assist in developing and fulfilling the Board of Directors' corporate governance responsibilities.

The committee shall ensure that the principles of good corporate governance of transparency, accountability and fairness shall govern the conduct of business of COCOGEN. It shall ensure the Board's effectiveness and due observance of corporate governance principles, guidelines and responsibilities as well as in building a strong culture of excellence and compliance, professionalism, efficiency, integrity and customer focus in COCOGEN.

It shall likewise ensure that COCOGEN's direct and indirect transactions with Related Parties are handled in a sound and prudent manner, at arm's-length basis, and with transparency and integrity, and in compliance with applicable laws and regulations to protect the interest of all stakeholders.

Composition

The Corporate Governance and Related Transactions Committee shall be composed of **five (5) Board members**, all of whom shall be appointed by the Board. **(Amended By-Laws)**

Majority of the directors comprising the Corporate Governance Related Party Transactions Committee, including its Chairman, shall be Independent Directors. (Amended By-Laws)

All members of the Committee shall have an understanding of corporate governance principles and knowledge of the basic principles of **nomination, compensation, performance evaluation, capability building, shareholder relations, corporate social responsibility, and related party transactions**. They shall likewise be conversant with the laws, rules, and regulations that will bear on the exercise of their functions.

Its Chairman shall not be the Chairman of the Board of Directors or any other Board committees. (Amended By-Laws)

The Chairman of the Board shall be an *ex-officio* member of the Committee.

The total membership of the Corporate Governance and Related Party Transaction Committee shall not be more than half of the current composition of the Board of Directors at any given time.

Meetings

The Committee shall meet at least once every quarter or more frequently as circumstances require. The Chairperson or any two (2) members of the Committee may call its meetings. A quorum shall consist of a majority of the members of the Committee.

Any member may participate via teleconference or videoconference.

Duties and Responsibilities

The Corporate Governance and Related Party Transactions Committee shall have the following duties and responsibilities:

Corporate Governance

- Assist the Board in ensuring the observance of corporate governance principles and procedures in a manner consistent with the interests of COCOGEN, its shareholders, and other stakeholders in accordance with rules and regulations.
- Serve as a forum for ideas and proposals to improve the quality of stewardship provided by the Board.
- Assist the Board in defining the appropriate corporate governance framework that will facilitate effective oversight over business units in COCOGEN.
- **Ensure proper and efficient implementation and monitoring of compliance with the Company's Code of Ethics and internal procedures and policies. (Amended By- laws)**

Performance Evaluation

- Develop and recommend to the Board an annual performance evaluation process for the Board and its Committees.
- Oversee the annual Board performance evaluation process and report to the Board the results of the same.
- If needed, coordinate with external facilitators in carrying out Board assessment, within the frequency approved by the Board.

Capability Building

- Institute capability building, continuous learning, and professional development programs for Board members, and ensure that like programs are in place for the officers and employees.
- Make recommendations to the Board regarding the continuing education of Directors, and assignment to Board Committees.

Reporting Responsibilities

- Provide periodic reports to the Board of Directors on its initiatives, activities, and projects.
- Review any report that the Company issues in relation to Committee responsibilities.

Compliance Function Oversight

- Ensure the independence of the compliance function from the business activities of COCOGEN, by having:
 - i. Clearly-defined responsibilities of compliance officer;
 - ii. Absence of conflict of interest between compliance responsibilities of compliance function staff and any other responsibilities that they may have; and
 - iii. Ready access to information and personnel necessary to carry out compliance responsibilities
- Ensure that a Compliance Program is defined for COCOGEN, supported by adequate and sufficient resources and that compliance issues are resolved expeditiously.
- Ensure cooperative and constructive working relationship of the compliance with the Insurance Commission and other relevant agencies.
- Coordinate the relationship of the Chief Compliance Officer and Compliance Division with other functions and/or units of COCOGEN, including the delineation of responsibilities and lines of cooperation.
- Ascertain the right of the Chief Compliance Officer to have an unimpeded access to information necessary in the conduct of investigations of possible breaches of compliance policy.

Related Party Transactions (RPT) Oversight

- Evaluate, on an ongoing basis, existing relations between and among businesses and counterparties to ensure that all Related Parties are continuously identified, monitored and subsequent changes in relationships with counterparties (from non-related to related and vice versa) are captured.
- Evaluate all material RPT's to ensure that the terms are no less favorable than the terms generally available to an unrelated third party under the same circumstances and that no corporate or business resources of COCOGEN are misappropriated or misapplied, and to determine any potential reputational risk issues that may arise as a result of or in connection with the transactions.
- Ensure that appropriate public disclosure is made, and/or information is provided to regulators/supervisors, relating to COCOGEN's RPT exposures, policies on conflicts of interest and potential conflicts of interest.
- Report to the Board of Directors on a regular basis, the status and aggregate exposures to each Related Party as well as the total amount of exposures to all Related Parties.
- Monitor and oversee, through the reports submitted to the RPT Committee by the Compliance Division, the implementation of the system for identifying, monitoring, measuring, controlling and reporting RPT's, including the periodic review of RPT policies and procedures.
- Review the reports required to be submitted to the regulators.

- Report to the Board of Directors on a regular basis the RPT Committee activities, issues, and related recommendations.
- Conduct of profitability and/or cost-benefit analysis of COCOGEN's RPT's.
- Recommend and perform such other acts and functions necessary or appropriate in carrying out its duties and responsibilities, or as may be delegated by the Board.
- It shall be Management's responsibility to timely report/disclose to the RPT Committee all RPT's, and to furnish the RPT Committee with all the information, documents and materials necessary to carry out its duties and responsibilities.

Other Responsibilities

- Perform activities consistent with this Charter, the COCOGEN By-laws, the COCOGEN Corporate Governance Manual, COCOGEN Compliance Charter and applicable laws and regulations as the Committee or the Board deems necessary or appropriate.

Authority

In line with its policy-making and oversight functions, the Committee has the authority to conduct or authorize an inquiry into any matter within the scope of its responsibility. It likewise has the authority to avail of the assistance of special legal, human resource, or other consultants to assist the Committee to carry out its duties as defined by this Charter.

The Committee may require any officer or employee of COCOGEN and the COCOGEN Group to attend its meetings and provide pertinent information and/or assistance as necessary.

Technical Support

The Chief Compliance Officer, together with his/her officers and staff shall provide technical support to the Committee, **and shall be present at all times during Committee meetings. In his absence, the assistant officer should be present.**

Review of Charter

The Committee shall review and reassess this Charter annually or as may be necessary and recommend any appropriate changes to the Board of Directors.

Report and Recommendation

The reports and recommendations required under this Charter to be presented for the information and/or approval of the Board, shall first be referred to the Executive Committee for its consideration and further endorsement to the Board of Directors.