



## **COMPENSATION AND REMUNERATION COMMITTEE CHARTER**

### **I. PURPOSE**

This Compensation and Remuneration Committee Charter (the “Charter”) sets out the structure, powers, duties, and policies of the Compensation and Remuneration Committee (the “Committee”) of PARAMOUNT LIFE & GENERAL INSURANCE CORPORATION (the “Corporation”) in fixing the remuneration packages of corporate officers and members of the Board of Directors of the Corporation, and for the exercise of the Committee’s oversight function over the remuneration of senior management and other key personnel to ensure that the compensation is consistent with the Corporation’s strategy, culture, and control environment.

The Committee is expected to support the corporate governance process through the provision of checks and balances provided in this Charter.

### **II. STRUCTURE**

#### **A. Membership**

The Committee shall be composed of at least three (3) members selected by the Board of Directors of the Corporation (the “Board”), one of whom shall be the Human Resources Director or Manager who is currently not a voting member of the Committee and shall have the following qualifications:

- a. Must have a college education or equivalent academic degree;
- b. Must be at least twenty-one (21) years old;
- c. Must have attended a seminar on corporate governance conducted by a duly recognized private or government entity or must undertake to attend such a seminar as soon as practicable;
- d. Must possess integrity and probity; and,
- e. Other qualifications as may be provided by the Corporation’s Manual on Corporate Governance, the Corporation Code, and other relevant laws.

The Chairperson of the Committee shall preferably be an Independent Director.

The Board shall appoint the Committee members at its annual organizational meeting and shall serve until the next such organizational meeting of the Board or until their successors shall be duly elected and qualified. A member of the Committee

may be removed, with or without cause, by a majority vote of the Board. Any vacancy in the Committee may be filled by a majority vote of the members the Board, constituting a quorum, during a regular or special meeting.

#### **B. Meetings**

The Committee shall meet at least twice a year or more frequently as the circumstances require. The quorum for a meeting of the Committee shall be at least a majority of the Members present throughout the meeting. The minutes of the meetings shall be recorded.

All members of the Board who are not members of the Committee may attend meetings of the Committee but may not vote. The Committee may invite to its meetings members of management, other personnel of the Corporation, or any third parties, as it deems appropriate, in order to carry out its responsibilities.

The Committee shall timely refer to the Board its recommendations or decisions which require ratification or approval by the Board or, if otherwise, as it may deem necessary or proper.

### **III. POWERS AND DUTIES**

While acting within the scope of its stated purpose, the Committee shall have all the authority of the Board.

The following are the functions of the Committee:

1. The Committee shall establish a formal and transparent procedure for developing a policy on executive remuneration, ensuring that compensation is in a sufficient level to attract and retain executives needed to run the Corporation successfully, links rewards to corporate and individual performance, and in general is consistent with the Corporation's culture, strategy, and control environment.
2. The Committee shall develop a form for "Full Business Interest Disclosure" as part of the pre-employment requirements for all incoming executives which, among others, compel all executives to declare all their existing business interests or shareholdings that may directly or indirectly conflict with their duties to the Corporation.
3. The Committee shall cause the enactment of a Personnel Handbook which shall contain policies and rules on conflict of interest, salaries, benefits, promotion, career advancement, and discipline, among others.

The Committee shall have such other duties as may be delegated from time to time by the Board of Directors.

#### **IV. POLICIES**

- a. Executive Remuneration - The remuneration of executive directors must be competitive to attract and retain highly competent members. The Committee shall take into consideration the experience and the duties of such executive director in fixing the remuneration. A significant proportion of the Executive Directors' remuneration shall be so structured as to link rewards to corporate and individual performance. The performance-related elements of remuneration shall form a significant proportion of the total remuneration package of Executive Directors and shall be designed to align their interests with those of Shareholders and to give them keen incentives to perform at the highest levels.

Each director shall also receive a reasonable per diem allowance for his attendance at each meeting of the Board. The remuneration package and per diem allowance shall be subject to the approval of stockholders representing at least a majority of the outstanding capital stock at a regular or special meeting.

- b. Non-executive Remuneration – Levels of remuneration of Non-Executive Directors shall reflect their experiences, responsibilities, and performances. 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.

Each director shall receive a reasonable per diem allowance for his attendance at each meeting of the Board. The amount of the per diem allowance shall be subject to the approval of stockholders representing at least a majority of the outstanding capital stock at a regular or special meeting.

#### **V. ANNUAL PERFORMANCE EVALUATION**

The Committee shall perform a review and evaluation, at least annually, of its performance and its members, including reviewing the compliance of the Committee with this Charter. In addition, the Committee shall review and reassess, at least annually, the adequacy of this Charter and recommend to the Board any improvements to this Charter that the Committee considers necessary or valuable.

#### **VI. AMENDMENT**

This Charter shall not be amended, altered or varied unless such amendment, alteration or variation shall have been approved by a resolution of the Board.