

## **SOLUTIONS INSURANCE BROKERS INCORPORATED CHARTER OF THE GOVERNANCE AND NOMINATIONS COMMITTEE OF THE BOARD OF DIRECTORS**

### **Purpose and Responsibility**

The Governance and Nominations Committee (the Committee) is responsible to the shareholders of Solutions Insurance Brokers Incorporated (the Company or the Firm). It reports administratively to the Board of Directors (the Board) of the Company but has both the authority and responsibility to report directly to the shareholders of the Company at least annually during the Annual General Meeting of the shareholders.

The purpose of the Committee is to assist the Company and the Board in promoting the best interest of the Company and its shareholders through the implementation of sound corporate governance principles and practices.

The Committee has direct responsibility for reviewing and evaluating the service of each director whose term is expiring for the purpose of re-nominating said director.

The Committee has direct responsibility for reviewing the qualification of each new nominee for a director position for the purpose of endorsing such nomination to the shareholders.

The Committee also has direct responsibility for reviewing and approving policies concerning director compensation; reviewing Company goals and objectives relevant to the compensation of the directors; evaluating the each director in light of those goals and objectives either as a committee or together with the other independent directors of the Board (as directed by the Board), and determining and recommending the compensation level of the directors for approval by the Shareholders.

In addition the Committee shall insure that all contract employees and primary vendors

The Compensation Committee is also responsible for producing a report on governance as may be required by the Board to be included in the Company's annual proxy statement, and performing such other tasks as are consistent with this Charter.

### **Definitions**

"Director" means any member of the Board of Directors of the Company, who has been duly elected by the shareholders of the Company.

"Compensation" includes salaries, guaranteed and variable bonuses, any fluctuating emoluments or incentive program. It shall also cover any benefit program that provides benefits in cash form and any benefit programs that would involve the payment of fringe benefit taxes as defined by Philippine tax law.

"Independent Director" is any member of the Board of Directors who is considered independent under the Governance Code of the Philippine Securities and Exchange Commission.

### **Membership and Qualifications**

The Board of Directors shall appoint the members of the Governance and Nominations Committee of the Board in the first board meeting following the Annual General Meeting of Shareholders. The term of this appointment shall be for one year.

The Committee shall consist of at least three (3) directors, at least one of whom shall be "independent" in accordance with the governance code of the Philippine Securities and Exchange Commission.

### **Meetings, Structure and Procedures**

The Committee shall meet at least once per year. One Committee member shall serve as the Committee Chair and the Board shall determine which member shall be the Chair.

The Committee will meet at such times and places as determined by the Chair, or as may be requested by any two (2) Committee members, upon three (3) days notice to each member personally, by mail or by written telecommunication.

In addition, the Committee shall meet at such other times as it deems necessary or desirable to fulfill its responsibilities.

The agenda of Committee meeting will be prepared under the direction of the Chair and, whenever practicable, circulated to each Committee member prior to the meeting date. The Chair will preside, when present, at all Committee meetings.

A majority of the Committee shall constitute a quorum. Any action required or permitted to be taken at any Committee meeting may be taken without a meeting if all members of the Committee consent thereto in writing, and the writing or writings are filed with the minutes of proceedings of the Committee. Members of the Committee may participate in a Committee meeting by conference telephone or similar communications equipment whereby all persons participating in the meeting can hear each other, and participation in a meeting by these means shall constitute presence in person at the meeting.

Committee meetings by electronic communication shall also be acceptable provided all discussions that form part of such meeting are seen by all members who are identified as attending such a meeting and provided that agreements and pertinent discussions supporting such agreements are prepared in minute format, circulated and approved. All members participating in this form and approving the minutes shall be considered present in such a meeting.

Minutes shall be prepared for all meetings of the Committee to document the Committee's discharge of its responsibilities. The minutes shall be circulated in draft form to all Committee members, and shall be approved as presented or as modified at a subsequent Committee meeting.

### **Authority and Responsibilities**

The Committee shall have the following duties and responsibilities:

#### Corporate Governance Generally

1. Draft, review and recommend for approval by the Board the Company's corporate governance policies to ensure that they remain relevant and are being complied with, including but not necessarily limited to:
  - Board and Committee meeting frequency and format,
  - Nomination of Chairman of the Board,
  - Definition of role of Chairman of the Board,
  - Size and composition of the Board,
  - Executive sessions of independent directors,
  - Formal evaluation of the Chief Executive Officer and/or management of the Company, and
  - Succession planning and management development.
2. Recommend ways to enhance services to and improve communications and relations with shareholders.
3. Periodically receive a presentation from management on the Company's Code of Business Conduct and Ethics, Conflict of Interest, and Confidentiality policies.
4. Evaluate and endorse nominations and re-nominations of members of the Board.
5. As appropriate and upon request of the Board, produce the annual report and disclosure concerning director independence and Committee operations to be included in the Company's annual proxy statement.

#### Board Composition, Evaluation and Nominating Activities

1. Review composition and size of the Board and determine the criteria for membership in accordance with the governance code of the Securities and Exchange Commission and relevant circulars and regulations of the Insurance Commission. The criteria can include issues of character, judgment, diversity, age, expertise, relevant experience, community involvement, and stock ownership.
2. Review and recommend director fees to the Shareholders for approval.
3. Through board and committee self-assessment, coordinate an annual evaluation of the Board and its committees.

4. Where appropriate with input from the Chairman of the Board and the President, consider and recommend candidates to fill new positions or vacancies on the Board and review any candidates recommended by stockholders in accordance with the bylaws, and, in the case of a vacancy created by an increase in the size of the Board, make a recommendation to the Board as to the class of directors in which the individual should serve.
5. Evaluate the performance of current members of the Board proposed for reelection, and recommend the director nominees each year for approval by the shareholders.

#### *Board Committees*

1. Annually review the charter and composition of each Board committee and make recommendations to the Chairman of the Board for the creation of additional Board committees or the change in mandate or dissolution of Board committees,
2. Recommend to the Board persons to be members of the various Board committees.

#### *Conflicts of Interest*

1. Consider questions of possible conflicts of interest of members of the Board and of corporate officers.
2. Review actual and potential conflicts of interest (including corporate opportunities) of members of the Board and of corporate officers, and clear any involvement of such persons in Company that may involve a conflict of interest.

The Committee shall exercise such power and take such actions as may be permitted or required to be taken by the Board in the exercise of its duties under this Charter.

The Committee should, at least annually, review and assess the adequacy of this Charter and conduct a performance evaluation of the Committee. The Committee shall recommend any proposed changes to the Board and the Company's shareholders for approval.

#### **General**

The Committee is also charged with such other tasks and responsibilities as are consistent with this Charter, the governance code of the Securities and Exchange Commission and the rules and regulations promulgated by the Securities and Exchange Commission.