

Year 2021 Annual Performance Assessment

Submitted by the Corporate Secretary

Recommendation 6.1 of the Revised Code of Corporate Governance for Insurance Commission Regulated Companies (“RCCG”) requires the following:

- a. The Board conducts an annual assessment of its performance as a whole.
- b. The performance of the Chairman is assessed annually by the Board.
- c. The performance of the individual members of the Board is assessed annually by the Board.
- d. The performance of each committee is assessed annually by the Board.

In view of the foregoing, may we please request you to:

- a. fill out the attached Year 2021 Annual Performance Assessment of the Board of Directors, the individual Board members, related party transactions, the Chief Executive Officer, and the Chairman, as well as the Board Committee self-evaluation. This form takes into consideration the recommendations of the RCCG; and
- b. e-mail a copy of the completed Assessment Form to **Donna A. Mendoza** at **donna.a.mendoza@prulifeuk.com.ph** on or before **14 January 2022**.

YEAR 2021 ANNUAL PERFORMANCE ASSESSMENT

Name of Board Member: _____

Please check (✓) whether the essential standards below are either:

- O - Observed
- NO - Not Observed
- NA - Not Applicable/Relevant

Please feel free to give any remarks/comments.

Essential Standards	O	NO	NA	Remarks/Comments – Please explain “NO” and “NA” responses.
PART I: BOARD OF DIRECTORS’ APPRAISAL				
Meeting				
1. The Board met regularly to discharge its duties and functions.				
Responsibilities of the Board				
The Board				
1. exercised oversight over the development, review, and approval of the Company’s business objectives and strategy and oversaw and monitored the implementation of the business objectives and strategy in order to sustain the Company’s long-term viability and strength.				
2. acted on a fully informed basis, in good faith, with due diligence and care, and in the best interest of Pru Life UK and all shareholders.				
3. reviewed, monitored and implemented the Company’s corporate strategic plan.				
4. exercised oversight over the conduct of the Company’s business to ensure that the business was being properly managed and dealings with policyholders, claimants, creditors and other stakeholders were fair and equitable.				
5. oversaw that a sound enterprise risk management framework was in place to effectively identify, monitor, assess and manage key business risks.				
6. approved corporate policies in core areas of operations, specifically underwriting, investments, reinsurance and claims management.				

7. adopted an effective succession planning program for directors, key officers and Management, including the policies on the retirement age of directors and key officers and for appointing, training, fixing the compensation of, and where appropriate, replacing senior management.				
8. adopted a Board nomination and election policy, including an assessment of the effectiveness of the Board's processes and procedures in the nomination, election and replacement of a director.				
9. developed and implemented an investor relations program or adopted a shareholder communications policy for the Company.				
10. reviewed the adequacy and the integrity of the Company's internal control systems and management information systems including systems for compliance with the Insurance Code and other applicable laws, regulations, rules, directives and guidelines and monitoring and managing potential conflicts of interest of Management, Board members and shareholders.				
11. selected and appointed officers who were qualified to administer insurance affairs soundly and effectively and to establish an adequate selection process for all personnel.				
12. applied fit and proper standards on personnel ensuring that integrity, relevant technical expertise and experience in the institution's business were key considerations in the selection process.				
13. adopted an effective performance management framework to ensure that performance standards are met by Management and all other employees.				
14. adopted a policy specifying the relationship between remuneration and performance of key officers and the board members aligned with the long-term interests of the Company				
15. approved the selection and assess the performance of the Chief Executive Officer, Chief Risk Officer, Chief Compliance Officer, and Chief Audit Executive taking into account the recommendation of the relevant Board Committees.				
16. reviewed and approved material transactions not in the Company's ordinary course of business.				
17. established a system of checks and balances which applies to the Board and its members.				
18. ensured a comprehensive, accurate, reliable and timely report to shareholders and other stakeholders that gave a fair and complete picture of a company's financial condition, results and business operations.				
19. approved all material related party transactions as defined under PAS 24, those that cross the materiality threshold, and write off of material exposures to related parties and submitted the same for confirmation by majority vote of stockholders in the annual stockholders' meeting.				
20. delegated to the appropriate management committee the approval of related party transactions that are below the materiality threshold, subject to the confirmation by the Board.				
21. established an effective system to determine, identify, monitor and evaluate related party				

transactions and identify, measure, monitor and control risks arising from the same.				
22. ensured maintenance of adequate capital against risks associated with exposures to related parties.				
23. oversaw the integrity, independence and effectiveness of the policies and procedures for whistleblowing.				
24. appointed a Compliance Officer who was responsible for coordinating, monitoring, and facilitating compliance with existing laws, rules and regulations.				
25. appointed a Corporate Secretary who carried out the duties the post entails.				
Constitution of an Effective Board				
1. Complied with the required number of board members.				
2. At least twenty percent (20%) of the Board are independent directors.				
3. Majority are non-executive directors				
4. Has a separate role and function for the Chairman and the Chief Executive Officer.				
5. The independent directors are independent of management and major / substantial shareholders				
6. The Company has a term limit of nine (9) years or less for its independent directors.				
7. Different persons assume the roles of Chairman and Chief Executive Officer.				
8. The Chairman is an independent director.				
9. The Chairman was not the company CEO for the past three (3) years.				
10. At least one (1) non-executive director has prior working experience in the major sector that the company is operating in.				
11. None of the directors are former employees or partners of the current external auditor.				
12. None of the directors are the former CEO of the company in the past two (2) years.				
13. None of the directors have been convicted of insider trading in the past three (3) years.				
14. Has provided checks and balances to ensure that independent, outside views, perspectives and judgments are given proper hearing.				
Board Balance				
1. Has determined the independence of each director, in character and judgment.				
2. The independent directors make up at least 50% of the Board of Directors.				
3. The independent directors make up more than 50% of the Board of Directors.				
4. The Company has at least one (1) female independent director.				
Multiple Board Seats				
1. The Company does not have any independent directors who serve as directors in more than five (5)				

publicly-listed companies and Insurance Commission-Regulated Entities.				
2. The Company does not have an executive director who serves as director in more than two (2) listed companies outside of the group.				
PART II: INDIVIDUAL BOARD MEMBERS' APPRAISAL				
1. Each director made decisions objectively in the interest of the company.				
2. Each non-executive director scrutinized the performance of management in meeting agreed goals and objectives and monitored performance report.				
3. Each non-executive director constructively challenged and helped developed strategic proposals for the company.				
4. Each non-executive director satisfied himself of the integrity of financial information and that the financial controls and systems of risk management are robust and defensible.				
Qualifications of Each Director				
1. Each director possesses the necessary skills, competence and experience, in terms of management capabilities preferably in the field of insurance or insurance-related disciplines.				
2. Each director is a person of integrity and credibility.				
3. Each director owns at least one (1) share of the capital stock of the corporation whose share should be in his name and recorded in the books of the corporation.				
4. Each director is at least twenty-five (25) years of age at the time of his appointment.				
Independent Directors				
Each independent director:				
1. Is or was not a regular director, officer or employee of the company, its subsidiaries or affiliates or related entities during the last three (3) years counted from the date of election.				
2. Is not or was not a regular director, officer, or employee of the company's substantial stockholders and their related companies during the past 3 years counted from the date of election.				
3. Is not an owner of more than 2% of the outstanding shares or a stockholder with shares of stock sufficient to elect 1 seat in the board of directors of the company, or in any of its related companies or of its majority corporate stockholders.				
4. Is not a relative by consanguinity or affinity within the 4th degree of any director, officer or shareholder holding shares of stock sufficient to elect 1 seat in the Board of the company or any of its related companies or any of its substantial stockholders.				
5. is not acting as a nominee or representative of any director or substantial shareholder of the company, any of its related companies or any of its substantial shareholders.				

6. Is not or was not retained as professional adviser, auditor, consultant, agent or counsel of the company, any of its related entities or any of its substantial shareholders, either in his personal capacity or through his firm during the past 3 years counted from the date of his election.				
7. Is not a securities broker-dealer of listed companies and registered issuer of securities.				
8. Is independent of management and free from any business or other relationship, has not engaged and does not engage in any transaction with the covered entity or with any of its related companies or with any of its substantial shareholders, other than transactions which are conducted at arm's length and could not materially interfere with or influence the exercise of his judgment.				
9. Was not appointed in the company, its subsidiaries, affiliates or related companies as Chairman "Emeritus", "Ex-Officio", regular director, officer, or member of an advisory board, or otherwise appointed in a capacity to assist the Board in the performance of its functions during the past 3 years counted from the date of election.				
10. Is not affiliated with any non-profit organization that receives significant funding from the company or any of its related companies or substantial shareholders.				
11. Is not employed as an executive officer of another company where any of the covered entity's executives serve as regular directors.				
Duties and Responsibilities				
Each Director has:				
1. Conducted fair business transactions with the company to ensure personal interest does not bias board decisions.				
2. Avoided situations that would give rise to a conflict of interest.				
3. Not used his position to profit or acquire benefits or advantages for himself and/or his related interest.				
4. Acted honestly in good faith and with loyalty to the best interest of the institution, its stockholders, (regardless of the amount of their stockholdings) and other stakeholders such as its policyholders, investors, borrowers, clients and the public in general.				
5. Devoted time and attention necessary to properly discharge their duties and responsibilities.				
6. Acted judiciously in making decisions.				
7. Exercised independent judgment.				
8. A working knowledge of the statutory and regulatory requirements affecting the institution, including the contents of its articles of incorporation and by-laws, the requirements of the Insurance Commission, and where applicable, the requirements of other government agencies.				

9. Observed confidentiality on non-public information.				
PART III: RELATED PARTY TRANSACTIONS APPRAISAL				
1. Overlapping interests in the insurance entity has been disclosed to the Board and any material transaction involving such interests has been similarly disclosed.				
2. Related party transactions have been conducted in terms that are at least comparable to normal commercial practices to safeguard the best interest of the insurance corporation, its policyholders, creditors and claimants.				
3. Related party transactions have been disclosed fully to Board. Prior Board approval has been obtained for related party transactions that are material in nature.				
PART IV: CHIEF EXECUTIVE OFFICER'S APPRAISAL				
1. Attended the most recent annual shareholders' meeting.				
2. The role of the Chief Executive Officer is separate from the Chairman of the Board to foster an appropriate balance of power, increased accountability and better capacity for independent decision-making by the Board.				
3. Covered by a lower indicative limit for membership in other boards.				
4. Initiated and developed corporate objectives and policies and formulated long range project, plans and programs.				
5. General supervision and management of the business affairs and property of the company.				
6. Ensured that the administrative and operational policies of the company are carried out under his supervision and control.				
PART V: CHAIRMAN'S APPRAISAL				
1. Is competent and qualified.				
2. Made certain that the meeting agenda focuses on strategic matters, including the overall risk appetite of the corporation, considering the developments in the business and regulatory environments, key governance concerns, and contentious issues that will significantly affect operations.				
3. guaranteed that the Board receives accurate, timely, relevant, insightful, concise and clear information to enable it to make sound decisions.				
4. facilitated discussions on key issues by fostering an environment conducive for constructive debate and leveraging on the skills and expertise of individual directors.				
5. ensured that the Board sufficiently challenged and inquired on reports submitted and representations made by Management.				

6. assured the availability of proper orientation for first-time directors and continuing training opportunities for all directors.				
7. made sure that the performance of the Board was evaluated at least once a year and discussed or followed up on.				

BOARD COMMITTEE SELF-EVALUATION

Kindly evaluate the effectiveness of the Board Committees in the areas identified below. Please place an X in the appropriate box and provide your comments, if any.

	Very Effective	Effective	Not Effective	N/A	Comment
I. Audit Committee					
A. Breadth and depth of the Committee’s knowledge of financial reporting, internal control systems, and internal and external audit processes					
B. Discharge by the Committee of its roles and responsibilities under the Terms of Reference of the Audit Committee: <u>Financial Reporting</u> 1. review the Company’s a. financial statements b. the application of and compliance with local accounting policies and practices c. any changes to the foregoing d. decisions regarding major areas of judgement, e. the extent to which the financial statements are affected by any unusual transactions in the year f. significant adjustments resulting from the audit and the going concern assumption, taking into account the external auditor’s views 2. review management’s certifications to PCA Regional					

Finance in respect of the half yearly and annual Group results					
<u>Regulatory Disclosures</u> 3. review material disclosures to the Company’s regulator, to the extent they are outside of the regular regulatory reporting process					
<u>Internal Control and Risk Management</u> 4. consider any findings of major investigations (including “SpeakOut”/whistleblowing cases) that have internal control impact and management’s response to these					
5. review the framework and effectiveness of the Company’s systems of internal control, which includes financial reporting, risk management, the adequacy of resources, qualifications and experience of accounting, internal audit, compliance and financial reporting staff and their training programs					
6. seek assurance from management that they have performed their duty in respect of their application of the Group Risk Framework and satisfying themselves that any deviations from Group Policies are appropriate, and documenting the rationale for such deviation					
7. review management’s and the external and internal auditors’ reports on the effectiveness of systems for internal control, financial reporting and risk management including certifications provided pursuant to the Group Corporate Governance Manual					
<u>External Audit</u> 8. be primarily responsible for recommending the appointment and removal of the Company’s external auditor					
9. at the beginning of each audit cycle, ensure that appropriate plans are in place for the audit with the Company’s external auditors and that the scope of the audit plans reflects the terms of the engagement letter					
10. before the audit commences, discuss with the external					

auditors the nature and scope of the audit and reviewing the auditors' quality control procedures and steps taken by the auditors to respond to changes in regulatory and other requirements					
11. receive regular progress reports as deemed necessary by the Committee (but no less than annually) on activity and issues arising from the external auditors					
12. following the audit, discuss and review the findings of their work with the external auditors					
13. consider management's response to any major external audit recommendations					
14. assess the integrity and independence of the external auditors					
15. exercise effective oversight to review and monitor the external auditor's independence and objectivity					
16. exercise effective oversight to review and monitor the effectiveness of the audit process, taking into consideration relevant Philippine professional and regulatory requirements					
17. evaluate and determine the nature of non-audit services of the external auditor, if any, and reviewing the proportion of non-audit fees paid to the external auditor in relation to the Company's overall consultancy expenses.					
18. review and monitor the external auditor's suitability and effectiveness on an annual basis.					
<u>Internal Audit</u> 19. recommend the approval and oversee the implementation of the GwIA Charter.					
20. review the effectiveness and performance of the Company's internal audit function (whether performed by GwIA and/or a local internal audit function), ensuring it is adequately resourced and free from constraint and has the appropriate standing with the Company.					
21. approve the audit plan of the local internal audit function					

and endorse the GwIA internal audit plan, requesting where appropriate that internal audit undertakes specific work and monitoring the significant internal audit findings, including management's response to them.					
22. receive regular (at least quarterly) progress reports on activity and issues arising from GwIA and where applicable the local internal audit function.					
23. confirm that all significant internal audit issues have been escalated to the Board, the GwIA Chief Internal Auditor of PCA, and the Group Audit Committee, as appropriate					
<u>Compliance</u> 24. review and seek assurances on the effectiveness of the Company's compliance framework					
25. approve the annual compliance plan for the Company, monitor progress and key control findings from Compliance reviews, assess whether the compliance function is adequately resourced and has appropriate standing within the Company, and where appropriate request that the compliance function undertake specific work.					
26. receive regular (at least quarterly) progress reports on activity and issues arising from the compliance function, including a summary of all material reports issued by regulators					
27. coordinate, monitor and facilitate compliance with laws, rules and regulations					
<u>Financial Crime</u> 28. review the local procedures to combat financial crime, including money-laundering activities, fraud, sanctions and bribery					
<u>Governance Framework</u> 29. review the effectiveness of the Company's Governance Framework, and any deviation(s) from Group policies as defined by the Group Corporate Governance Framework					

30. review management’s certifications to PCA in respect of their adherence to the Group Corporate Governance Manual as applicable and exceptions thereto					
<u>Attestations</u> 31. review annually the known population of attestations to be provided to external parties on behalf of the Company (including those requested by the local, regional or global regulators), and on a case by case basis determine the respective assurance required from the second and third-line of defense on the information and data supporting the attestation required					
32. review all additional unforeseen attestation requests with detail of the proposed assurance to be sought, if any					
33. receive an update from the second line of defense control functions on the results of their assurance activities as and when appropriate					
<u>Escalation</u> 34. consider whether there are any specific issues which should be brought to the attention of the Board, external auditors, and GAC (such as a significant control or compliance breakdown or issues which might have a ramification elsewhere in the Prudential Group), and to minute whether or not there are any such issues at each meeting					
C. Discharge by the Chair of his/her responsibilities 1. ensure that committee members receive information necessary for them to perform their duties					
2. facilitate discussion on key issues by fostering an environment conducive for constructive debate and leveraging on the skills and expertise of individual members					
3. ensure that the Committee discharges its functions properly					
D. Committee composition and qualifications of its members 1. No less than three members, all of whom are non-					

executive directors and work outside the day to day operations of the Company					
2. Majority of members are independent directors					
3. All the members of the Committee will have relevant background, skills, and/or experience in the areas of accounting, auditing and finance					
4. The Chairman of the Committee is an independent director					
5. The Chairman of the Committee is not the Chairman of the Board or any other committee					
E. Independence from Management and ethical conduct					
F. Clarity of communications with the Board and Management and the degree to which these communications have been understood and acted upon					
II. GOVERNANCE AND NOMINATION COMMITTEE					
A. Breadth and depth of the Committee's knowledge of corporate governance					
B. Discharge by the Committee of its roles and responsibilities under the Governance and Nomination Committee Charter:					
1. review and assess the effectiveness of the Board's processes and procedures in the nomination, election or replacement of directors on an annual basis					
2. carry out basic checks of a potential director's standing, including details of any conflicts of interest, criminal record or regulatory sanctions					
3. in reviewing appointments, take into consideration the overall balance of the Board members, local regulatory requirements and the need for the Board to work effectively					
4. review and evaluate the qualifications of all persons nominated to the Board and other positions requiring appointment by the Board					
5. prepare a description of the roles and requirements of a particular appointment					

6. recommend persons to fill any vacancy on the Board which the Board may fill pursuant to Pru Life UK's governing law, directors to be appointed to Committees of the Board, and nominees for election or re-election as directors					
7. consider potential director candidates as directed by the Board					
8. prepare job specifications for the position of Chairman and each member of the Board, including an assessment of the time commitment expected of the Chairman and each member of the Board, recognizing the need for their availability in the event of crisis					
9. report to the Board as to all such matters					
10. oversee the implementation of the corporate governance framework and periodically review the framework to ensure that it remains appropriate in light of material changes to the Company's size, complexity and business strategy, as well as its business and regulatory environments					
11. oversee the periodic performance evaluation of the Board and its Committees as well as executive management, and conduct an annual self-evaluation of its performance					
12. ensure that the results of the Board evaluation are shared, discussed, and that concrete action plans are developed and implemented to address identified areas for improvement					
13. recommend continuing education/training programs for directors, assignment of tasks/projects to Board Committees, succession plan for members of the Board and senior officers					
14. adopt corporate governance policies and ensure that these are reviewed and updated regularly, and consistently implemented in form and substance					
15. propose and plan relevant trainings for the members of the Board					
16. determine the nomination and election process for the					

Company's directors and define the general profile of Board members that the Company may need and ensure appropriate knowledge, competencies, and expertise that complement the existing skills of the Board					
17. prepare and recommend to the Board an effective succession plan program for directors					
18. review the Board diversity policy in line with the Company's strategic objectives					
19. undertake such other duties and exercise such powers as may from time to time be assigned to or vested in the Committee by the Board					
20. assess the size and composition of the Board and the required qualifications of the directors in light of the operating requirements and strategic direction of Pru Life UK					
C. Discharge by the Chair of his/her responsibilities					
1. ensure that committee members receive information necessary for them to perform their duties					
2. facilitate discussion on key issues by fostering an environment conducive for constructive debate and leveraging on the skills and expertise of individual members					
3. ensure that the Committee discharges its functions properly					
D. Committee composition and qualifications of Committee members					
1. composed of at least three members, majority of whom are independent directors					
2. the Chairman is an independent director					
E. Independence from Management and ethical conduct					
F. Clarity of communications with the Board and Management and the degree to which these communications have been					

understood and acted upon					
G. Oversight capability over compliance with the requirements under the Insurance Commission’s Code of Corporate Governance and the ASEAN Corporate Governance Scorecard					
III. RELATED PARTY TRANSACTIONS COMMITTEE					
A. Discharge by the Committee of its roles and responsibilities under the Related Party Transactions Committee Charter:					
1. evaluate on an ongoing basis the existing relations between and among businesses and counterparties to ensure that related parties are continuously identified, RPTs are monitored, and subsequent changes in relationships shall be reflected in the relevant reports to the Board and regulators/supervisors					
2. review material/significant RPTs to determine whether they are in the best interests of the Company and stockholders					
3. Evaluate all material/significant RPTs to ensure that these are not undertaken on more favorable economic terms to such Related Parties than similar transactions with non-related parties under similar circumstances and that no corporate or business resources of the Company 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					
4. ensure that appropriate disclosure is made, and/or information is provided to regulating and supervising authorities relating to the Company’s RPT exposures, and policies on conflicts of interest or potential conflicts of interest. The disclosure shall include information on the approach to managing material conflicts of interest that are inconsistent with such policies and conflicts that could arise as a result of the Company’s affiliation or transactions with other related parties					

5. require the members of the Board to disclose their interest in RPTs and any other conflict of interest and mandate that they abstain from participating in the Board's evaluation, discussion, approval, and management of a particular agenda/transaction when they are conflicted or have any potential interest					
6. report to the Board 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					
7. ensure that transactions with related parties, including write-off of exposures, are subject to periodic independent review or audit process					
8. oversee the implementation of the system for identifying, monitoring, measuring, controlling, and reporting RPTs, including the periodic review of RPT policies and procedures					
9. review and approve annual public disclosures in accordance with the requirements of the regulator					
B. Discharge by the Chair of his/her responsibilities:					
1. ensure that committee members receive information necessary for them to perform their duties					
2. facilitate discussion on key issues by fostering an environment conducive for constructive debate and leveraging on the skills and expertise of individual members					
3. ensure that the Committee discharges its functions properly					
C. Committee composition and qualifications of Committee members:					
a. at least three non-executive directors, majority of whom are independent.					
b. The Chairman is an independent director					
D. Independence from Management and ethical conduct					

E. Clarity of communications with the Board and Management and the degree to which these communications have been understood and acted upon					
V. REMUNERATION COMMITTEE					
A. Discharge by the Committee of its roles and responsibilities under the Remuneration Committee Charter:					
1. establish a formal and transparent procedure to develop a policy for determining the remuneration of directors and officers that is consistent with the Company's culture and strategy as well as the business environment in which it operates					
2. review and assess the position of Pru Life UK relative to other companies as regards board and senior management compensation and make recommendations annually to the Board with regard thereto					
3. report to the Board as to all such matters					
4. undertake such other duties and exercise such powers as may from time to time be assigned to or vested in the Committee by the Board					
B. Discharge by the Chair of his/her responsibilities:					
1. ensure that committee members receive information necessary for them to perform their duties					
2. facilitate discussion on key issues by fostering an environment conducive for constructive debate and leveraging on the skills and expertise of individual members					
3. ensure that the Committee discharges its functions properly					
D. Committee composition and qualifications of Committee members:					
1. composed of at least three (3) members, one of whom is an independent director.					
2. comprised of a majority of independent directors.					
3. The Chairman is an independent director.					

E. Independence from Management and ethical conduct					
F. Clarity of communications with the Board and Management and the degree to which these communications have been understood and acted upon					
V. RISK COMMITTEE					
A. Breadth and depth of the Committee’s knowledge of risk and risk governance and management, including the quality of responses to potential or actual financial, operational, regulatory or other risk events					
B. Discharge by the Committee of its roles and responsibilities under the Risk Committee Charter:					
1. developing a formal enterprise risk management plan which contains the following elements: (i) common language or register of risks, (ii) well-defined risk management goals, objectives and oversight, (iii) uniform processes of assessing risks and developing strategies to manage prioritized risks, (iv) designing and implementing risk management strategies, and (v) continuing assessments to improve risk strategies					
2. overseeing the implementation of the enterprise risk management plan through an Executive Risk Committee. The Committee shall conduct regular discussions on the Company’s prioritized and residual risk exposures based on regular risk management reports and addresses how the concerned units or offices are addressing and managing these risks					
3. evaluating the risk management plan to ensure its continued relevance, comprehensiveness and effectiveness. The Committee shall revisit defined risk management strategies, look for emerging or changing material exposures, and stay abreast of significant developments that seriously impact the likelihood of harm or loss					
4. advising the Board on its risk appetite levels and tolerance					

limits					
5. reviewing at least annually the Company's risk appetite levels and risk tolerance limits based on changes and developments in the business, the regulatory framework, the external economic and business environment, and when major events occur that are considered to have major impacts on the Company					
6. assessing the probability of each identified risk becoming a reality and estimating the possible significant financial impact and likelihood of occurrence. Priority areas of concern are those risks that are most likely to occur and to impact the performance and stability of the Company and its stakeholders					
7. providing oversight over Management's activities in managing market, credit, insurance, operational, liquidity, customer/conduct, reputational, cyber, investment, economic, legal and regulatory risk exposures. This includes regularly receiving information on risk exposures and risk management activities from Management					
8. annually reviewing and approving the Company's key risks					
9. receiving notification of material breaches of risk limits and approving the proposed remedial action where such cases are escalated to the Committee by the Chief Risk Officer					
10. reviewing and providing confirmation to the Audit Committee that, to the best of the Committee's belief, the disclosures made in the Annual Report on its activities, the risk governance and related sections are fair, balanced and understandable					
11. receiving regular updates on the economic capital position determined by the Internal Model					
12. supporting the Board and management in embedding and maintaining a supportive culture in relation to the					

management of risk					
13. advising the Board on the risks inherent in strategic transactions and business plans					
14. reviewing and monitoring management's responsiveness to the findings and recommendations of the Chief Risk Officer					
15. reviewing and monitoring the effectiveness of the Chief Risk Officer					
16. seeking assurance from management that they have performed their duty in respect of their application of the Company's Risk Framework and reviewing approvals for deviations from any PCA Regional Policies					
17. considering whether there are specific issues which should be brought to the attention of the Board					
18. regularly reporting (or as deemed necessary) risk-related material issues, findings and matters, including the Company's material risk exposures and actions taken to reduce the risks to the Board and Audit Committee and recommending further action or plans, as necessary					
C. Discharge by the Chair of his/her responsibilities					
1. ensure that committee members receive information necessary for them to perform their duties					
2. facilitate discussion on key issues by fostering an environment conducive for constructive debate and leveraging on the skills and expertise of individual members					
3. ensure that the Committee discharges its functions properly					
D. Committee composition and qualifications of Committee members					
1. composed of at least three non-executive members, the majority of whom are independent directors					

2. the Chairman of the Committee is an independent director					
3. the Chairman of the Committee is not the Chairman of the Board or of any other committee					
4. at least one member of the Committee has relevant thorough knowledge and experience on risk and risk management					
E. Independence from Management and ethical conduct					
F. Clarity of communications with the Board and Management and the degree to which these communications have been understood and acted upon					

Please let us know if you have other comments or recommendations regarding the Board of Directors, the individual Board members, the Board Committees, the Chief Executive Officer, and the Chairman of the Board. Please also include any suggestions you may have to further improve the Board and Committee Meetings and Education Session. Thank you.
