

**FORTUNE LIFE INSURANCE CO., INC.**  
**BOARD RISK OVERSIGHT COMMITTEE**

This Board Risk Oversight Committee Charter (this “Charter”) establishes the purpose, qualifications and membership, structure and operations, duties and responsibilities of the Board Risk Oversight Committee (the “Committee”) of Fortune Life Insurance Co., Inc. (the “Company”), and the procedures which guide the conduct of its functions.

## **1. PURPOSE**

The purpose of the Board Risk Oversight Committee is to oversee the establishment of Enterprise Risk Management (ERM) framework that will effectively identify, monitor, assess and manage key business risks. The risk management framework shall guide the Board in identifying units/business lines and enterprise-level risk exposures, as well as the effectiveness of risk management strategies. The Committee shall be responsible for defining the Company’s level of risk tolerance and providing oversight over its risk management policies and procedures to anticipate, minimize, control or manage risks or possible threats to its operational and financial viability.

## **2. ORGANIZATION**

**Reporting Responsibility.** The Board Risk Oversight Committee shall report directly to the Board.

**Composition.** The Board Risk Oversight Committee shall be composed of at least three (3) directors, majority of whom shall be Independent Directors.

**Committee Membership.** The Board shall appoint the members of each Board Committee annually.

**Committee Members Qualifications.** Each member of the Committee shall have the qualifications and none of the disqualifications of a Director, as set out in the Corporate Governance Manual. The Board shall ensure that at least one member of the committee must have relevant thorough knowledge and experience on risk management.

**Committee Chairmanship.** The Board shall appoint one of the members of the Committee to be the Committee Chairman, who shall not be the Chairman of the Board or of any other committee.

## **3. STRUCTURE AND OPERATIONS**

**Meetings.** The Committee shall meet twice a year or as may be necessary. The Committee may opt to meet without the presence of the CEO or other management team members, and periodically meets with the ERM Head.

**Notice of Meeting.** The notice and agenda for each meeting shall be circulated to all Board Risk Oversight Committee members at least five (5) business days before each meeting.

**Chairman.** The Committee Chairman shall preside in all meetings of the Committee. In his absence, the members present shall elect from among themselves one member to preside over the particular meeting.

**Quorum.** A quorum shall be present as long as an Independent Director is present or if at least a majority of the members of the Committee is present. No business shall be transacted at any meeting unless a quorum is present.

**Record of Meetings.** The Board Risk Oversight Committee shall cause proper records of its proceedings to be kept. Members may nominate a member or some other person to be the Committee Secretary to record and keep minutes of meetings and other proceedings.

**Other Attendees.** The Board Risk Oversight Committee may invite other Directors and Management Officers to attend any meeting.

#### 4. DUTIES AND RESPONSIBILITIES

The duties and responsibilities of the Committee are as follows:

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

- H. 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.

## **5. REPORTING PROCESS**

The Chairman of the Committee shall render a report apprising the Board of Directors of the results of the Committee's activities following each meeting

The Committee shall prepare an annual report of its activities to the Board for inclusion in the Company's annual report.

## **6. PERFORMANCE ASSESSMENT**

The members of the Committee shall evaluate its performance based on best practices and expectations set-out in this Charter and in related SEC Memorandum Circulars and the ASEAN Corporate Governance Scorecard concerning Board Risk Oversight Committees.

The Committee shall obtain and subject itself to an independent assessment by the Board of Directors based on best practices and relative to its performance in the discharge of its responsibilities as set out in this charter.

Based on the results of the performance assessment, the Committee shall formulate and implement plans to improve its performance. These may include the identification of relevant training needs intended to keep the members up to date with corporate governance best practices, accounting and auditing standards, as well as specific areas of concern.

## **7. 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.