

# **UCPB General Insurance Company, Inc. (COCOGEN)**

## **CHARTER OF THE NOMINATION AND COMPENSATION COMMITTEE**

### **Purpose**

The Nomination and Compensation Committee is a standing committee of the Board of Directors COCOGEN whose primary function is to assist the Board in nominating and appointing Directors and other Board-level personnel, as well as the appointment and promotion of senior officers with the rank of Vice-President and up, and heads of divisions and departments.

It shall also assist the Board in fulfilling its responsibilities related to the development of criteria and goals for COCOGEN's compensation and benefits policy and shall review, evaluate, and recommend to the Board the benefits plans and compensation policy for COCOGEN.

### **Composition**

The Committee shall be composed of at least three (3) members of the Board of Directors. The Chairman and the members of the Committee shall be appointed by the Board.

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

**The total membership of the Nomination and Compensation 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 twice a year, but may meet at such other times as determined by a majority of its members or by the Board.

The President and/or Chief Executive Officer (CEO) is prohibited from being present during voting or deliberation on matters involving the President and/or CEO's compensation and/or benefits. The same prohibition shall apply to any member of the Committee or officer of COCOGEN who is a member of the Committee.

The Committee is authorized to consult with resource persons as it considers necessary (i.e., **Chief Financial Officer / Treasurer / Head of Human Resources**).

**Any member may participate in the meeting via teleconference or videoconference.**

### **Duties and Responsibilities**

The Committee shall have the following duties and responsibilities:

#### **Nomination**

- Review and assess the effectiveness of the Board's processes and procedures in the election and/or replacement of directors.
- Consider potential director-candidates as directed by the Board.
- Carries out basic checks of a director-candidate's standing, including details of any conflicts of interest, criminal record, or regulatory sanctions.
- In reviewing the appointment, takes into consideration the overall balance of the composition of Board members, local regulatory requirements, and the need for the Board to work effectively.
- Recommend persons to fill any vacancy in the Board and Committees which the Board may fill pursuant to Company By-Laws and Corporation Code.
- Review and evaluate the qualifications of all persons nominated to the Board and other positions requiring appointment by the Board.
- Prepare a description of the roles and requirements of a particular appointment.
- 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 when necessary.

#### **Compensation**

- Approve salary scales and position classifications in COCOGEN yearly.
- Review and recommend yearly budget for increase of all personnel of COCOGEN.
- Approve annual compensation increases for all staff and officers of COCOGEN.
- Review and recommend policies pertaining to benefits of all personnel of COCOGEN. All amendments to personnel benefits must be passed upon by the Committee for recommendation to the Board.
- Review and recommend the benefits/allowances of directors of COCOGEN as well as benefits/allowances of COCOGEN directors for attendance in Board and Committee meetings.
- Approve Performance Management guidelines applicable to all employees including senior management.
- Periodically evaluate the performance of the President and/or CEO in light of set goals and objectives.
- Review annually the President and/or CEO compensation, benefits, and perquisites.
- Review periodically the compensation of Top Management and By-laws officers as identified and reported by the Management;

- Approve general incentive guidelines affecting all employees of COCOGEN, including senior management;
- Review deviations/exceptions to compensation policies approved by Management, such as or related to hiring above salary scale, signing bonuses, counteroffers, and the like.
- Undertake such other duties and exercises such powers as may from time to time be assigned to or vested in the Committee by the Board.

### **Review of the Charter**

**The Committee shall annually review and assess the adequacy of this Charter and recommend any proposed changes to the Board for approval.**

### **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.**