

Cocogen Insurance, Inc. (COCOGEN)

FINANCE COMMITTEE CHARTER

Purpose

The Finance Committee is appointed by the Board to primarily review the Company's capital structure, including financing strategies and policies. The Committee shall also ensure that the capitalization of the Company is efficiently optimized to maximize returns to stakeholders at an acceptable risk threshold and does not impair the Company's long-term viability and operating flexibility.

The Committee shall discharge the Board's power of oversight of share redemption and purchase activities; Treasury function and Investment Management; and major acquisitions, dispositions, or similar transactions.

Composition

The Finance Committee shall be composed of at least five (5) Board members, all of whom shall be appointed by the Board.

All members of the Committee shall have an understanding of the laws, rules, and regulations of the Department of Finance, Bangko Sentral ng Pilipinas, Securities and Exchange Commission, Insurance Commission, and other government agencies and regulators that will bear on the exercise of their functions. The members of the Committee should be knowledgeable in matters pertaining to corporate finance.

The Committee members shall be appointed by the Board of Directors among its members and may be replaced by the Board of Directors at any time with or without cause.

Its Chairman shall not be the Chairman of the Board of Directors or any other Board committees.

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

Meetings

The Committee shall meet at least once every quarter or more frequently as circumstances require. The Chairperson or any two (2) members of the Committee may call its meetings. A quorum shall consist of a majority of the members of the Committee.

Any member may participate via teleconference or videoconference.

Duties and Responsibilities

In addition to the common recurring activities of the Committee, the Committee may carry out additional functions and adopt additional policies and procedures as may be required or appropriate in view of changing business, legal, regulatory, or other conditions. The following are the common recurring activities of the Committee:

A. Reviewing quarterly and recommending to the Board for adoption, the financial policies and performance objectives developed by management pertaining to the Company's:

1. Cash flow, capital spending, and financing requirements;
2. Cash and debt balances, other key credit metrics, and credit ratings;
3. Dividend policy;
4. Investment criteria, including capital investment hurdle rates; and
5. Financial risk management strategies, including hedging and the use of derivatives.

B. Reviewing significant changes to the Company's capital structure, financial arrangements, capital spending and acquisition and disposition plans, and making recommendations as needed to the Board regarding the financial structure, financial condition, and financial strategy of the Company, including:

1. Timing and maturities of debt, terms, and interest rates of individual issues;
2. Common stock sales, repurchases, or splits and any changes in dividends;
3. Proposed mergers, acquisitions, divestitures, joint ventures and strategic investments, and, as appropriate, recommending their adoption to the Board; and
4. Any material diversification of the Corporation's business.

C. Reviewing quarterly the Company's proposed annual consolidated budget included in the Business Plan, recommending such budget to the full Board for approval, and reviewing quarterly the Company's performance against such budget as reasonably required or requested by the Board, including:

1. Review of the Company's Annual Financial Plans/Goals; and
2. Checking of the individual General and Administrative Expenses.

D. Reviewing tax strategies and potential tax law changes expected to have a material impact on the Company's financial results.

Performance Evaluation

The Committee shall perform a review and evaluation, at least annually, of the performance of the Committee and its members, including reviewing the compliance of the Committee with its Charter.

Capability Building

- Institute capability building, continuous learning, and professional development programs for Board members, and ensure that like programs are in place for the officers and employees.
- Make recommendations to the Board regarding the continuing education of Directors, and assignment to Board Committees.

Reporting Responsibilities

- Provide periodic reports to the Board of Directors on its initiatives, activities, and studies.
- Review any report that the Company issues in relation to Committee responsibilities.

Other Responsibilities

- Perform activities consistent with this Charter, the COCOGEN By-laws, the COCOGEN Corporate Governance Manual, COCOGEN Compliance Charter, and applicable laws and regulations as the Committee or the Board deems necessary or appropriate.

Authority

In line with its functions, the Committee has the authority to conduct or authorize an inquiry into any matter within the scope of its responsibility. It likewise has the authority to avail of the assistance of special legal, human resource, or other consultants to assist the Committee to carry out its duties as defined by this Charter.

The Committee may require any officer or employee of COCOGEN and the COCOGEN Group to attend its meetings and provide pertinent information and/or assistance as necessary.

Review of Charter

The Committee shall review and reassess this Charter annually or as may be necessary and recommend any appropriate changes to the Board of Directors.

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.