

## **Directors and Key Officers Retirement and Succession Policy**

### **I. PURPOSE**

This Policy is to ensure that Paramount Life and General Insurance Corporation (“PLGIC” or the “Corporation” or the “Company”) recognizes the valuable contribution of its Directors and Key Officers to the Corporation’s growth through their quality performance and years of service, and to maintain a proper balance of the Board with new talents despite losing the benefit of the wisdom, expertise and experience of the retiring director and key officers. Moreover, this is also to lay down an effective succession plan and program within the Company and to have a smooth transition that will avoid disruption of business and allow the sustained growth of the Corporation.

### **II. COVERED PERSONS**

This Policy covers all Directors and Key Officers of PLGIC.

### **III. RETIREMENT RULES AND BENEFITS**

#### **a. Directors**

The Board of Directors (the “Board”) shall take into consideration the health and the desire of directors to serve even in their advanced years. The continuing service of directors shall be determined on the basis of each director’s ability to perform his/her duties effectively and their desire to serve regardless of age with due regard to mental acuity, physical fitness, and the capability to actively engage and make a positive contribution in the pursuit of the Company’s goals. The Board shall determine the continuing fitness of directors to serve but will accede to his/her wish to retire.

#### **b. Key Officers**

A key officer upon reaching the age of sixty (60) years (“Normal Retirement Date”) may be retired. If the key officer has served at least five (5) years in the Company, he or she shall be entitled to retirement pay equivalent to one (1) month salary for every year of service.

However, any Key Officer with the consent of the company may be allowed to continue to work beyond his/her Normal Retirement Date but not beyond age sixty-five (65). The late retirement benefit shall be equivalent to the normal retirement benefit.

#### **IV. SUCCESSION POLICIES AND PROGRAMS**

The Board should be responsible for ensuring and adopting an effective succession planning program for directors, key officers and management to ensure growth and a continued increase in the shareholders' value. This should include adopting a policy on the retirement age for directors and key officers as part of management succession and to promote dynamism in the company.

##### **a. Directors**

Only an individual who possesses competence, learning agility, and is of good repute may be considered for the vacated position. In securing this valuable resource, the Board shall determine the specific set of qualifications that the company will benefit from the most depending on its direction and development phase. The Board may contract an external firm to assist in its search for the perfect-fit candidate.

For formal consideration, candidates for new directors shall require endorsement by the Chairman for approval of the Board. The new director shall undertake all responsibilities previously attached to the position vacated, and any new tasks given thereto as agreed by the Board.

##### **b. Key Officers**

In implementing the succession planning program for the key officers, the Company's Human Resources Department in close coordination with the President and Chief Operating Officer and/or the Chief Executive Officer (collectively the "Hiring Team"), as necessary, shall identify and develop new leaders who can replace a retiring key officer and prepare them to assume his or her roles as they become available.

In identifying the potential candidates, the Hiring Team shall set as criteria its desired values and required technical capabilities for the position. For the desired values, the Hiring Team shall at the least set honesty, integrity and diligence as the minimum requirements. As to the technical capabilities, the Hiring Team shall determine the key knowledge, skills, and abilities required for the position.

The Hiring Team shall remain objective throughout the hiring process, and shall not prioritize potential candidates that are already employed with the Company. To this end, the Company shall provide critical development experiences to its high potential leaders to ensure that they are competitive in terms of the criteria required of the key roles.

The Hiring Team shall endeavour to promptly complete the hiring process as to provide the retiring key officer sufficient time to train and turnover his/her responsibilities to the new key officer.

**V. AMENDMENT**

This Policy shall not be amended, altered or varied unless such amendment, alteration or variation shall have been approved by a resolution of the Board.