CEBUANA LHUILLIER INSURANCE BROKERS INC.

DUTIES AND RESPONSIBILITIES OF THE BOARD OF DIRECTORS:

Specific duties and responsibilities of the Board of Directors. The Board of Directors is primarily responsible for defining the Corporation's vision and mission. The Board of Directors has the fiduciary responsibility to the Corporation and all its shareholders including minority shareholders. It shall also approve and oversee the implementation of the risk governance framework and the systems of checks and balances. It shall establish a sound corporate governance framework. The Board of Directors shall approve the selection of the CEO and key members of Senior Management and control functions and oversee their performance.

a. *The Board of Directors shall define the Corporation's corporate culture and values*. It shall establish a code of conduct and ethical standards in the Corporation and shall institutionalize a system that will allow reporting of concerns or violations to an appropriate body. In the regard, the Board of Directors shall:

(1) Approve a code of conduct code ethics, which shall articulate acceptable and unacceptable activities, transactions and behaviours that could result or potentially result in conflict of interest, personal gain at the expense of the Corporation as well as the corresponding disciplinary actions and sanctions. The code of conduct shall explicitly provide the directors, officers, and all personnel are expected to conduct themselves ethically and perform their job with skill, due care, and diligence in addition to complying with laws, regulations and company policies.

(2) Consistently conduct the affairs of the Corporation with a high degree of integrity and play a lead role in establishing the Corporation's corporate culture and values. The Board of Directors shall establish, actively promote and communicate a culture of strong governance in the Corporation, through adopted policies and displayed practices. The Board of Directors shall ensure that the CEO and executives team champion the desired values and conduct, and that they face material consequences if there are persistent or high profile conduct value breaches.

(3) Oversee the integrity, independence and effectiveness of Corporation's policies and procedures for whistleblowing, It shall allow employees to communicate with protection from reprisal, legitimate concerns about illegal, unethical or questionable practices directly to the Board of Directors or to any independent unit. Policies shall likewise be set on how such concerns shall be investigated and addressed for example, by an internal control function, an objective external party, Senior Management and/or the Board of Directors itself. It shall prevent the use of the facilities of the Corporation's in the future of criminal and other improper or illegal activities, such as but not limited to financial misreporting, money laundering, fraud, bribery or corruption.

b. *The Board of Directors shall be responsible for approving Corporation's objectives and strategies and in overseeing management's implementation thereof*. In this regard, the Board of Directors shall:

(1) Ensure that the Corporation's has beneficial influence on the economy by continuously providing services and facilities which will be supportive of the national economy.

(2) Approve the Corporation's strategic objectives and business plans. These shall take into account the Corporation's long term financial interests, its level of risk tolerance, and ability to manage risks effectively. In this respect, the Board of Directors shall establish a system for measuring performance against plans.

(3) Actively engage in the affairs of the Corporation and keep-up with material changes in the Corporation's business and regulatory environment as well as act in a timely manner to protect the long-term interests of the Corporation.

(4) Approve and oversee the implementation of policies governing major areas of the Corporation's operations. The Board of Directors shall regularly review these policies, as well as evaluate control functions (e.g. internal audit, risk management and compliance) with Senior Management to determine areas for improvement as well as promptly identify and address significant risk and issues.

c. *The Board of the Directors shall be responsible for the opportunities /selection of key member of Senior Management and heads of control functions and for approval of a sound remuneration and other incentives policy for personnel*. In this regard, the Board of Directors shall:

(1) Oversee selection of the CEO and other key personnel, including members of the Senior Management and heads of control functions based on the application of fit and proper standards, integrity, technical expertise and experience in the Corporation's business, either current or planned, shall be the key consideration in the selection process. Moreover, since mutual trust and a close working relationship are important, the members of Senior Management shall uphold the general operating philosophy, vision and core values of the Corporation.

(2) Approve and oversee the implementation of performance standards as well as remuneration and other incentives policy. The policy should be consistent with the long-term strategic objectives and financial soundness of the Corporation's and should promote good performance, convey acceptable risk-taking behaviour, and reinforce the Corporation's operating and risk culture.

(3) Oversee the performance of senior management and heads and control functions:

a) The Board of Directors shall regularly monitor and assets the performance of the management team and heads of control functions based on approved performances standards.

b) The Board of Directors shall hold members of Senior Management accountable for their actions and enumerate the possible consequences if those actions are not aligned with the Board of Directors' performance expectations. These expectations shall include adherence to the Corporation's values, risk appetite and risk culture under all circumstances.

c) The Board of Directors shall regularly meet with Senior Management to engage in discussion, question, and critically review the reports and information provided by the latter.

d) Non-executive board members shall meet regularly, other than in meeting of the audit committee or other board-level committees that may be formed thereafter in the absence of Senior Management with the external auditor and heads of the internal audit, compliance and risk management functions.

(4) Engage in succession planning for the CEO and other critical positions, as appropriate. In this respect, the Board of Directors shall establish an effective succession planning program. The program should include a system for identifying and developing potential succession for the CEO and other critical positions.

(5) Ensure that personnel's expertise and knowledge remain relevant. The Board of Directors shall provide its personnel with regular training opportunities as part of a professional development program to enhance their competencies and stay abreast of developments relevant to their areas of responsibility.

(6) Ensure that employee pension funds are fully funded or the corresponding liability appropriately recognized in the books of the Corporation at all times, and that all transactions involving the pension fund are conducted at arm's length term.

d. *The Board of Directors shall be responsible for approving and overseeing implementation of the Corporation's corporate governance framework.* In this regard the Board of Directors shall:

(1) Define appropriate governance structure and practices for its own work, and ensure that such practices are followed and periodically reviewed:

a) The Board of Directors shall structure itself in a way, including in terms of size and frequency of meetings, so as to promote efficiency, critical discussions of issues, and thorough review of matters. The Board of Directors shall meet regularly to properly discharge its functions and likewise have discussion on values, conduct, and behaviors.

b) The Board of Directors shall create committees to increase efficiency and allow deeper focus in specific areas. The number and nature of board-level committees would depend on the size of the Corporation's complexity of operations, as well as the Board of Directors' long-term strategies and risk tolerance.

c) The Board of Directors shall regularly review the structure, size and composition of the Board of Directors and Board-level committees with the end in view of having a balanced membership. Towards this end, a system and procedure for evaluation of the structure, size and composition of the board of directors, and board-level committees shall be adopted which shall include, but not limited to, benchmark and peer group analysis. The results of assessment shall form part of the ongoing improvement efforts and completely of the Board of Directors.

d) The Board of Directors shall adopt policies aimed at ensuring that the members of the Board of Directors are able to commit to effectively discharge their responsibilities, which shall include a policy on the number of directorship position and/ or other internal/external professional commitments that a director may have, commensurate with responsibilities placed on the director, as well as the nature, scale, and complexity of the Corporation's operations.

e) The Board of Directors shall ensure that individual members of the Board of Directors and the Shareholders are accurately and timely informed of a comprehensive and understandable assessment of the Corporation's performance, financial condition, and risk exposures. All members of the Board of Directors shall have reasonable access to any information about the Corporation at all times. The Board of Directors shall also ensure that adequate and appropriate information flows internally and to the public.

f) The Board of Directors shall asses at least annually its performance and effectiveness as a body as well as its various committees, the CEO, the individual directors, and the Corporation Itself, which may be facilitated by the Compliance

Officer or external facilitators. This exercise shall cover the assessment of the ongoing suitability of each board member taking into account his or her performance in the Board of Directors and Board-level committees.

g) The Board of Directors shall maintain appropriate records (e.g. meeting minutes or summaries of matters reviewed, recommendations made, decisions taken and dissenting opinions) of its deliberations and decisions. The Board of Directors shall ensure that independent views in meeting of the Board of Directors shall be given full consideration and all such meetings shall be duly minuted.

(2) Develop remuneration and other incentives policy for Directors shall be submitted for approval of the Stockholders. The Board of Directors shall ensure that the policy is consistent with the long-term interest of the Corporation does not encourage excessive risk- taking and is not in conflict with the Director's fiduciary responsibilities.

(3) Adopt a policy on retirement for Directors and Officers, as part of the succession plan, to promote dynamism and avoid perpetuation in power.

(4) Conduct and maintain the affairs of the Corporation within the scope of as its authority as prescribed in its charter and existing laws, rules and regulation. It shall ensure effective compliance with the latter, which include prudential reporting obligations. Serious weaknesses in adhering to these duties and responsibilities maybe considered as unsafe or unsound corporate practice.

(5) Maintain and periodically update, organizational rules, by laws, or other similar documents settings out its organization, rights ,responsibilities and key activities .The Board of Directors shall ensure that the Corporation's organizational structure facilities effective decision-making and good governance. This includes clear definition and delineations of the lines of responsibility and accountability.

(6) Oversee the development, approve and monitor implementation of corporate governance policies. The Board of Directors shall ensure that corporate governance policies are followed and periodically reviewed for ongoing improvement.

(7) Approve an overarching policy on the handling of RPT's to ensure that there is effective compliance with existing laws, rules and regulations at all times, that these are conducted on an arm's length basis, and that no stakeholders is unduly disadvantaged. In this regard:

a) The Board of Directors shall approve all materials RPTs, those that cross the materially threshold, and write off material exposures to related parties, and submit the same for confirmation by majority vote of the Stockholders in the Annual Stockholders' Meeting. Any renewal or material changes in the terms and conditions

of RPTs shall also be approved by the Board of Directors. All final decisions of the Board of Directors on material RPTs, including important facts about the nature, terms, conditions, original and outstanding individual and aggregate balances, justification and other details that would allow stockholders to make informed judgement as to reasonableness of the transaction, must be clearly disclosed during stockholders meetings and duly reflected in the minutes of Board of Directors and Stockholders' meetings.

b) The Board of Directors shall delegate to appropriate Management Committee the approval of RPTs that are below the materially threshold subject to confirmation by the Board of Directors. This shall, however, exclude DOSRI transactions, which are required to be approved by the Board of Directors. All decisions under the delegated authority must be properly recorded in the minutes of the committee meetings.

c) The board of directors shall establish an effective system to:

(i) Determine, Identify and monitor related parties and RPT's;

(ii) Continuously review and evaluate existing relationship between and among businesses and counterparties; and

(iii) Identify, measure, monitor and control risk arising from RPT's. The system should be able to define related parties' extent of relationship with the Corporation; assess situations in which a non-related party (with whom a Corporation has entered into a transaction) subsequently becomes a related party and vice versa; and generate information on the type and amount of exposures to a particular related party. The said system will facilitate submission of accurate reports to the regulators/supervisors. The system as well as the overarching policies shall be subject periodic assessment by the internal audit and compliance functions and shall be updated regularly for their sound implementation. The overarching policy and system shall be made available to the Bangko Sentral and audit functions for review. Any changes in the policies and procedure shall be approved by the Board of Directors.

d) The Board of Directors shall maintain adequate capital against risk associated with exposures to related parties. In this regard, material risks arising from RPTs shall be considered in the capital planning process. The prescribed scenario/stress tests under the capital planning process shall also capture RPTs in order to determine whether the Corporation is well insulated from any going concern issue related parties.

e) The Board of Directors shall oversee the integrity, independence, and effectiveness of the policies and procedures for whistleblowing. The Board of Directors should ensure that Senior Management addresses legitimate issue on RPT that are raised. The Board of Directors should take responsibility for ensuring that staff who raise concerns are protected from detrimental treatment or reprisals.

(8) Define an appropriate corporate governance policies, practices and structure that will enable effective oversight over entities in the group. The Board of Directors of the parent company shall ensure consistent adoption of corporate governance policies and systems across the group. In this regard:

(a) The Board of Directors shall define and approve appropriate governance policies, practices and structure that will enable effective oversight of the entire group, taking into account the nature and complexity of operations, size and the types of risk to which the Corporation and its subsidiaries are exposed. The Board of Directors shall also establish means to ensure that such policies, practices and systems remain appropriate in light of the growth, increased complexity and geographical expansion of the group. Further, it shall ensure that the policies include the committees from the entities in the group to meet all governance requirements.

(b) The Board of Directors shall define the risk appetite for the group, which shall be linked to the process of determining the adequacy of capital of the group.

(c) The Board of Directors shall ensure the adequate resources are available for all entities in the group to effectively implement and meet governance policies, practices and systems

(d) The Board of Directors shall define and approve policies and clear strategies for the establishment of new structures.

(e) The Board of Directors shall understand the roles, the relationships or interactions of each entity in the group with one another and with the parent company. The Board of Directors shall understand the legal operational implications of the group structure and how the various types of the risk exposures affect the capital, risk profile and funding under normal and contingent circumstances. The Board of Directors shall ensure that the group's corporate governance framework includes appropriate process and controls to identify and address potential intragroup conflicts of interest, such as those arising from intragroup transactions.

(f) The Board of Directors shall develop sound and effective systems for generations and sharing of information within the group, management of risks and effective supervision of the group.

(g) The Board of Directors shall require the risk management, compliance function and internal audit group to conduct a periodic formal review of the group structure, their controls and activities to assess consistency with the Board of Directors approved policies, practices and strategies and to require said groups to report the results if their assessment directly to the Board of Directors.

In case where the Corporation is subsidiary/Affiliate of non-Bangko Sentral regulated parent company:

(i) The Board of Directors shall define and approve policies and clear strategies for the establishment of new structure (e.g. subsidiaries/affiliates of the Corporation). The Board of Directors shall also report to the Bangko Sentral any plan to create additional group structures.

(ii) The Board of Directors shall understand the roles, relationships or interactions of each entity in the group with one another and with the parent company. The Board of Directors shall understand the legal and operational implications of the group structure and how the various types of risk exposures affect the Corporation's capital, risk profile and funding under normal and contingent circumstances.

e. *The Board of Directors shall be responsible for approving Corporation's risk governance framework and overseeing management's implementation thereof*. In this regard, the Board of Directors shall:

(1) Define the Corporation's risk appetite. In setting the risk appetite, the Board of Directors shall take into account the business environment, regulatory landscape, and the Corporation's long term interest and ability to manage risk.

(2) Approve and oversee adherence to the risk appetite statement (RAS), risk, policy, and risk limits.

(3) Oversee the development of, approve and oversee the implementation of policies and procedures relating to the management of risks throughout the Corporation.

(4) Define organizational responsibilities following the three lines defense framework. The business line function will represent the first line of defense, the risk management and compliance functions for the second line of defence, and internal audit function for the third line of defence. In this regard:

(a) The Board of Directors shall ensure that the risk management compliance and internal audit functions have proper stature in the organization, have adequate staff and resources, and carry out their responsibilities independently, objectively and effectively.

(b) The Board of Directors shall ensure that non-executive board members meet regularly, with the external auditor and heads of the internal audit, compliance and risk management functions other than in meetings of the audit and risk, oversight committees, in the absence of Senior Management.