

LIFE & HEALTH HMP, INC.

NOMINATION POLICY

TABLE OF CONTENTS

| Topic | Page |
|---|-----------|
| I. POLICY STATEMENT | 1 |
| II. PURPOSE AND MISSION | 1 |
| III. NOMINATIONS TO THE BOARD | 1 |
| IV. NOMINATIONS TO KEY MANAGEMENT POSITIONS / OFFICERSHIP | 6 |
| V. DISQUALIFICATION OF A DIRECTOR | 7 |
| VI. ELECTION OF DIRECTORS AND OFFICERS | 10 |
| VII. PROXY VOTING | 12 |
| VIII. EMERGENCY BOARD | 12 |
| IX. REMOVAL OF DIRECTORS | 13 |
| X. REPORT OF ELECTION OF DIRECTORS, NON-HOLDING OF ELECTION, AND CESSATION FROM OFFICE | 14 |
| XI. ANNUAL REVIEW OF THE POLICY | 15 |

I. POLICY STATEMENT

It is the duty of the Board of Directors (BOD or Board) to have a formal and transparent nomination and election policy to the board and key management positions that includes how it accepts nominations from its shareholders and reviews the qualifications of nominated candidates.

II. PURPOSE AND MISSION

This Nomination Policy (Policy) shall assist the BOD in reviewing and evaluating the qualifications of all persons nominated to the Board and other appointments that require BOD approval. This shall serve as guide in the assessment of the effectiveness of the BOD's processes and procedures in the nomination, election, or replacement / removal of a director or key officer.

The Corporate Governance Committee (CG Committee or Committee) shall be responsible to supervise and ensure the enforcement of this Policy to ensure that identification of the quality of directors and key officers is aligned with the strategic direction of the Company.

III. NOMINATIONS TO THE BOARD

The CG Committee shall observe the following process and criteria in receiving and evaluating nominations to the BOD:

1. Discuss clearly with the BOD the procedures of the nomination.
2. A call for board nominations will be issued by the Committee as follow:
 - a. To the shareholders in email blast messages.
 - b. Deadlines will be set for the receipt of nominations via email.

- c. Candidates can self-nominate or be nominated by someone else.
 - d. CG Committee will review each nomination for completeness.
 - e. Committee will review the disclosure forms.

3. Receive all written nominations to the BOD submitted by stockholders at least thirty (30) business days before the date of the next annual meeting of the stockholders. Only natural persons may be members of the Board. Corporations and other legal entities or juridical persons are not qualified to occupy the position of a director.
4. Review resumes of potential candidates, and assess their skills and experience to determine if they meet the qualifications for the position. Current directors seeking re-election should have performed satisfactorily during their tenure.
5. The following criteria should be considered when reviewing and evaluating the qualifications of all those nominated:
 - a. Have knowledge of the primary activities of the Company and the industry in which it operates;
 - b. Have an adequate working knowledge with the Company's Articles, By-laws, Manual on Corporate Governance (CG Manual), and Code of Business Conduct and Ethics;
 - c. Attended accredited corporate governance seminars, as required by the Securities and Exchange Commission (SEC), and Insurance Commission (IC);
 - d. Ownership of at least ten (10) shares of the capital stock of the Company;
 - e. At least twenty-five (25) years of age at the time of his election or appointment;
 - f. A college degree or its equivalent or adequate competence and understanding of the fundamentals of doing business or membership in good standing in relevant industry, and membership in business or professional organizations or

- sufficient experience and competence in managing a business to substitute for such formal education;
- g. Has personal integrity, capacity to read and understand financial statements
 - h. Adequate physical health and mental stamina to withstand the rigors of his responsibilities;
 - i. No potential conflict of time and attention due to competing officership, directorships, or membership position in other corporations;
 - j. No disqualifications as provided for in Republic Act (R.A.) 11232 or the Revised Corporation Code of the Philippines, the rules and regulations prescribed by the IC and SEC or such other relevant government agency or body, especially in connection with the nomination and election of independent directors.
6. All shareholders must be given the opportunity to nominate candidates to the BOD in accordance with the existing laws.
 7. The Committee may consider and recommend to the BOD other qualifications for directors including independence criteria or standards for independent directors, which are aligned with the Company's vision, mission and corporate strategy that are now or may hereafter be provided in relevant laws or any amendments thereto.
 8. The Committee may likewise identify and recommend qualified individuals for nomination and election to the BOD. For this purpose, the CG Committee may make use of professional search firms or other external sources of candidates to search for qualified candidates to the BOD.
 9. Disclose fully and promptly all information regarding the experience and background of the candidates to enable the shareholders to study and conduct their own background check as to the candidates' qualification and credibility.
 10. Screen and shortlist qualified individuals for election as directors to ensure that only those that possess all the qualifications and

- none of the disqualifications from directorship as provided in the Company's By-Laws, CG Manual, Code of Business Conduct and Ethics, and relevant laws, rules and regulations may be elected to the Board.
11. The Committee shall contact each candidate to make an assessment for a high level of personal and professional integrity, as well as to assess their level of commitment to the Company. This may be done through interviews by an assigned member of the CG Committee or as a full committee. Additional interview may also be conducted by the CEO / President or an external party to ensure due diligence.
 12. Identify and prepare a final list of qualified nominees.
 13. Recommend for final approval of the BOD such final list, and recommend to the stockholders the qualified nominees included in the final list for election in the annual meeting of stockholders.
 14. In case of vacancy in the Board other than removal of a director or expiration of term, determine and identify the qualified nominee and recommend to the BOD, if the remaining directors still constitute a quorum, to elect such qualified nominee to fill the vacancy.
 15. Identify and recommend directors to fill vacancies in any of the Board committees, taking into account the requirements set forth in their respective charters.

Independent Directors

The Committee shall review and evaluate an independent director according to the following criteria:

1. Shall mean a person other than an officer or employee of the Company, or any other individual having a relationship with the Company that would interfere with the exercise of independent judgment in carrying out the responsibilities of a director.
2. Is a person who, apart from his fees and shareholdings, is independent of the Management and free from any business or

- other relationships which could or could reasonably be perceived to materially interfere with his exercise of independent judgment in carrying out his responsibilities as a director in the Company.
3. Possesses the necessary qualifications to effectively participate and help secure objective, independent judgment on corporate affairs and to substantiate proper checks and balances
 4. Possesses the following qualifications:
 - a. Have at least one (1) share of stock of the Company.
 - b. At least a college graduate or have been engaged or exposed to the business of the Company for at least five (5) years.
 - c. Has integrity / probity; and
 - d. Diligent.
 5. Is not a director or officer or substantial stockholder of the Company. An independent director shall be disqualified during his tenure if his beneficial security ownership exceeds ten percent (10%) of the outstanding capital stock of the Company.
 6. Is not a relative of any director, officer, or substantial shareholder of the Company. For this purpose, relatives includes spouse, parent, child, brother, sister, and the spouse of such child, brother, or sister.
 7. Is not acting as a nominee or representative of a substantial shareholder of the Company.
 8. Has not been employed in any executive position by the Company within the last five (5) years.
 9. Is not retained, either in his personal capacity or through a firm, as a professional adviser, auditor, consultant, agent, or counsel of the Company, or is otherwise independent of Management and free from any business or other relationship within the three (3) years immediately preceding the date of his election.
 10. Does not engage or has not engaged, whether by himself or with other persons, or through a firm of which he is a partner, director, or substantial shareholder, in any transaction with the Company, other than such transactions that are conducted at arm's length and

- could not materially interfere with or influence the exercise of his independent judgment.
11. Is one who ceased to be a regular director of the Company in the preceding two (2) years prior to qualification as an independent director.
 12. Has not been appointed in the Company as Chairman Emeritus, Ex-Officio Director / Officer or Member of any Advisory Board, or otherwise appointed in a capacity to assist the BOD in the performance of its duties and responsibilities within two years immediately preceding his election.
 13. Is not affiliated with any non-profit organization that received significant funding from the Company; and
 14. Is not employed as an executive officer of another company where any of the Company's executives serve as directors.

IV. NOMINATIONS TO KEY MANAGEMENT POSITIONS / OFFICERSHIP

1. The Committee shall review and evaluate the qualifications of all persons nominated to positions in the Company which require appointment by the BOD. In conducting its review, the Committee shall consider the following factors:
 - a. Duties and responsibilities of the position/s under consideration;
 - b. For the nominees:
 - i. Level of knowledge on the Company's business;
 - ii. Potential to assume greater responsibility in the Company;
 - iii. Ability, integrity, and expertise; and
 - iv. Results of previous performance assessments.
2. The Committee's review of the succession plan shall also take into account relevant human resource policies of the Company and its vision, mission, and overall corporate strategy.

V. DISQUALIFICATION OF A DIRECTOR

The following are the grounds for the disqualification of a director:

Permanently Disqualified

1. Persons who have been convicted by final judgment of the court for offenses involving dishonesty or breach of trust such as estafa, embezzlement, extortion, forgery, malversation, swindling, and theft;
2. Persons who have been convicted by final judgment of the court for violation of Revised Corporation Code, and any other law, rule, regulation or order administered by the SEC or IC;
3. Persons who have been judicially declared insolvent, spendthrift, or unable to enter into a contract;
4. Any person found guilty by final judgment or order of a foreign court or equivalent financial regulatory authority for acts, violations, or misconduct similar to any of the acts, violations, or misconduct enumerated above;
5. Conviction by final judgment of an offense punishable by imprisonment for more than six (6) years, or a violation of the Revised Corporation Code, and any other law, rule, regulation or order administered by the SEC or IC, committed within five (5) years prior to the date of his election or appointment;
6. Directors, officers, or employees of closed insurance companies or any insurance intermediaries who were responsible for such institution's closure as determined by the IC; and
7. Other grounds as the SEC or IC may provide pursuant to the provisions of the Revised Corporation Code, and any other law, rule, regulation or order administered by the SEC or IC.

Temporarily Disqualified

1. Persons who refuse to fully disclose the extent of their business interests when required pursuant to a provision of law or of a circular, memorandum, or rule or regulation of the SEC and / or IC. This disqualification shall be in effect as long as the refusal persists;
2. Directors who have been absent or who have not participated for whatever reasons in more than fifty percent (50%) of all meetings, both regular and special of the BOD during their incumbency or any twelve (12) month period during said incumbency, unless the absence is due to illness, death in the immediate family or serious accident. This disqualification applies for purposes of the succeeding elections;
3. If the beneficial equity ownership of an independent director in the Company exceeds ten percent (10%) of its outstanding capital stock. The disqualification from being elected as an independent director is lifted if the limit is later complied with;
4. Persons convicted for offenses involving dishonesty, breach of contract or violation of insurance laws but whose conviction has not yet become final and executory;
5. Directors and officers of closed insurance companies and insurance intermediaries pending clearance from the IC;
6. Directors disqualified for failure to observe / discharge their duties and responsibilities prescribed under existing regulations. This disqualification applies until the lapse of the specific period of disqualification of the IC.
7. Directors who failed to attend the special seminar on corporate governance. This disqualification applies until the director concerned had attended such seminar;
8. Persons disseminated / terminated from employment for cause. This disqualification shall be in effect until they have cleared themselves of involvement in the alleged irregularity;
9. Those under prerogative suspension;

10. Persons with derogatory records with the NBI, court, police, Interpol, and insurance authorities of other countries (for foreign directors) involving violation of any law, rule, or regulation of the government or any of its instrumentalities adversely affecting the integrity and / or ability to discharge the duties of an insurance director. This disqualification applies until they have cleared themselves of involvement in the alleged irregularity;
11. Persons who are delinquent in the payment of their obligations as defined hereunder:
 - a. Delinquency in the payment of obligations means that obligations of a person with the insurance company or its related companies where he / she is a director or officer; or at least two obligations with other insurance companies, under different credit lines or loan contracts;
 - b. Obligations shall include all borrowings from an insurance company, or its related companies obtained by:
 - i. A director or officer for his own account or as a representative or agent of others or where he / she acts as a guarantor, endorser, or surety for loans from such institutions;
 - ii. The spouse or child under the parental authority of the director or officer;
 - iii. Any person whose borrowings or loan proceeds were credited to the amount of, or used for the benefit of a director or officer;
 - iv. A partnership of which a director or officer, or his / her spouse is the managing partner or a general partner owning a controlling interest in the partnership; and
 - v. A corporation, association, or firm wholly owned, or majority of the capital is contributed by any or a group of persons mentioned in the foregoing items (i), (ii), and (iv).

This disqualification is in effect as long as the delinquency persists.

VI. ELECTION OF DIRECTORS AND OFFICERS

The BOD shall be elected among the holders of stocks in the Company, subject to their possession of all qualifications and none of the disqualifications set out in the By-laws, CG Manual, and relevant laws, rules, and regulations.

All nominations for election of directors shall be submitted in writing to the BOD through the Chairman of the Board and the Corporate Secretary, at least **five (5) days** before the regular or special meeting of stockholders for the purpose of electing directors.

At all elections of directors, there must be present, either in person, by written proxy, or **through remote communication as authorized by the Company's By-laws**, or in absentia, a number of stockholders sufficient to represent a majority of the outstanding capital stock entitled to vote.

Stockholders entitled to vote shall have the right to vote the number of shares of stock standing in their own names in the stock books of the Company at the time fixed in by the By-laws or where the By-laws are silent, at the time of the election. The said stockholder may:

- a. Vote such number of shares for as many persons as there are directors to be elected;
- b. Cumulate said shares and give one (1) candidate as many votes as the number of directors to be elected multiplied by the number of shares owned; or
- c. Distribute them on the same principle among as many candidates as may be seen fit.

Provided, that the total number of votes cast shall not exceed the number of shares owned by the stockholders as shown in the books of

the Company multiplied by the whole number of directors to be elected; Provided, however, that no delinquent stock shall be voted. Nominees for directors receiving the highest number of votes shall be declared elected.

Candidates may not vote for the position for which he / she is running. No abstentions will be accepted. If more than two (2) people are running and there is a tie, the person with the least number of votes drops off and a revote is held. If there are two (2) applicants and there is a tie, the Chairman of the Board shall cast vote to break the tie.

If no election is held, or the owners of majority of the outstanding capital stock entitled to vote are not present in person, by proxy, or through remote communication, or not voting in absentia at the meeting, such meeting may be adjourned and the Company.

In accordance with the Company's By-laws, the elected members of the BOD shall immediately submit within two weeks from election, their respective Bio-data or Curriculum Vitae (CV) in the prescribed format, and NBI clearance.

Immediately after their election, the directors of the Company must formally organize and elect:

- a. A President, who must be a director;
- b. A Treasurer, who must be a resident;
- c. A Secretary, who must be a citizen and resident of the Philippines; and
- d. Such other officers as may be provided in the By-laws.

If the Company is vested with public interest, the BOD shall also elect a compliance officer. The same person may hold two (2) more positions concurrently except that no one shall act as president and secretary or as president and treasurer at the same time.

VII. PROXY VOTING

A stockholder may vote in person or by proxy at all meetings. Unless otherwise provided in the proxy, it shall be valid only for the meeting at which it has been presented to the Corporate Secretary. All proxies must be in the hands of the Corporate Secretary before the time set for the meeting. Proxies filed with the Corporate Secretary may be revoked by the stockholders either in an instrument in writing duly presented and recorded with the Corporate Secretary, prior to a scheduled meeting or by their personal or remote presence at the meeting.

VIII. EMERGENCY BOARD

Any vacancy occurring in the BOD other than by removal or by expiration of term may be filled by the vote of at least a majority of the remaining directors, if still constituting a quorum; otherwise, said vacancies must be filled by the stockholders in a regular or special meeting called for that purpose.

When the vacancy is due to term expiration, the election shall be held no later than the day of such expiration at a meeting called for that purpose. When the vacancy arises as a result of removal by the stockholders, the election may be held on the same day of the meeting authorizing the removal and this fact must be so stated in the agenda and notice of said meeting. In all other cases, the election must be held no later than forty-five (45) days from the time the vacancy arose.

However, when the vacancy prevents the remaining directors from constituting a quorum and emergency action is required to prevent grave, substantial, and irreparable loss or damage to the Company, the vacancy may be temporarily filled from among the officers of the Company by unanimous vote of the remaining directors. The action by the designated director shall be limited to the emergency action

necessary, and the term shall cease within a reasonable time from the termination of the emergency or upon election of the replacement director, whichever comes earlier. The Company must notify the SEC within three (3) days from the creation of the emergency board, stating therein the reason for its creation.

IX. REMOVAL OF DIRECTORS

Any director may be removed from office by a vote of the stockholders holding or representing at least two-thirds (2/3) of the outstanding capital stock; Provided, that such removal shall take place either at a regular meeting of the Company or at a special meeting called for that purpose, and in either case, after previous notice to stockholders of the Company of the intention to propose such removal at the meeting. A special meeting of the stockholders for the purpose of removing any director must be called by the Corporate Secretary on order of the CEO / President, or upon written demand of the stockholders representing or holding at least a majority of the outstanding capital stock. If the Corporate Secretary, despite demand, fails or refuses to call the special meeting or to give notice thereof, the stockholder of the Company signing the demand may call for the meeting by directly addressing the stockholders. Notice of the time and place of such meeting, as well as the intention to propose such removal, must be given by publication or by written notice. Removal may be with or without cause; Provided, that removal without cause may not be used to deprive minority stockholders of the right of representation to which they may be entitled.

The SEC shall, upon verified complaint, and after due notice and hearing, order the removal of a director elected despite the disqualification, or whose disqualification arose or is discovered subsequent to an election. The removal of a disqualified director shall be without prejudice to other sanctions that the SEC may impose on

the BOD who, with knowledge of the disqualification, failed to remove such director.

X. REPORT OF ELECTION OF DIRECTORS, NON-HOLDING OF ELECTION, AND CESSATION FROM OFFICE

Within thirty (30) days after the election of the directors and officer of the Company, the Corporate Secretary shall submit to the SEC the names, nationalities, shareholding, and residence addresses of the directors and officers elected.

The non-holding of elections and the reasons therefor shall be reported to the SEC within thirty (30) days from the date of the scheduled election. The report shall specify a new date for the election, which shall not be later than sixty (60) days from the scheduled date.

If no new date has been designated, or if the rescheduled election is likewise not held, the SEC may, upon the application of a stockholder or director, and after verification of the unjustified non-holding of the election, summarily order that an election be held. The SEC shall have the power to issue such orders as may be appropriate, including orders directing the issuance of a notice stating the time and place of the election, designated presiding officer, and the record date or dates for the determination of stockholders or members entitled to vote.

Notwithstanding any provision of the Company's Articles of Incorporation or By-laws to the contrary, the shares of stock represented at such meeting and entitled to vote shall constitute a quorum for purposes of conducting an election.

Should a director or officer die, resign, or in any manner cease to hold office, the Corporate Secretary, or the director or officer of the

Company, shall within seven (7) days from knowledge thereof, report in writing such fact to the SEC.

XI. ANNUAL REVIEW OF THE POLICY

The CG Committee shall annually review and propose amendments (if any) to this Policy and endorse such for BOD approval.