

BOARD CHARTER

Reliable Insurance Brokers, Inc.

Section 1: Introduction

The Board of Directors of Reliable Insurance Brokers, Inc. (the “Company”) is the highest governing body of the organization, elected by the shareholders to provide leadership, direction, and oversight. The Board is responsible for setting the overall vision and strategy of the Company, ensuring its stability, integrity, and growth, and making sound business decisions that protect the interests of the shareholders, clients, and other stakeholders.

This Charter formalizes the authority, roles, and accountabilities of the Board and its members. It serves as a guide for effective governance and provides the framework through which the Board exercises its duties and responsibilities.

This Charter supplements, and does not supersede, the Company’s Articles of Incorporation and By-Laws, as well as applicable laws, rules, and regulations — including the Insurance Commission’s Code of Corporate Governance for Insurance and Reinsurance Brokers, the Revised Corporation Code of the Philippines, and other relevant issuances.

Section 2: Composition of the Board of Directors

2.1 Number of Directors

The Board of Reliable Insurance Brokers, Inc. shall be composed of six (6) members.

At least two (2), or not less than twenty percent (20%), shall be Independent Directors, whichever is higher.

A majority shall be non-executive, ensuring independence from daily operations.

This structure provides a mix of experience and objective oversight suited to the Company’s size and risk profile.

2.2 Board Competency

The Board must collectively possess the skills, experience, and professional background needed to guide a regulated financial-services company.

Each Director should bring judgment built from real practice—in insurance, finance, law, risk management, or business leadership—and be willing to challenge ideas and contribute independent thinking.

Together, the members must be capable of steering Reliable toward sustainable growth while maintaining compliance with all applicable laws and regulations.

2.3 Board Diversity

Directors are selected on merit. Within that principle, the Board values diversity in gender, age, perspective, and discipline.

A range of views and experience helps ensure balanced decisions and open, well-reasoned discussion.

Appointments shall follow transparent criteria under the Company's Manual on Corporate Governance and nomination process.

2.4 Qualifications and Disqualifications of Directors

The qualifications and disqualifications for election are those stated in the By-Laws, the Manual on Corporate Governance, and the Insurance Commission's fit-and-proper rules.

Directors must be of proven integrity, competence, and financial soundness.

No person shall qualify if permanently or temporarily disqualified under IC regulations or if such appointment would compromise independence or effective oversight.

2.5 Independent Directors

The Board shall have at least two (2) Independent Directors, or such number as to constitute at least twenty percent (20%) of its membership.

An Independent Director must be free from any relationship that could, or could reasonably be perceived to, interfere with independent judgment.

The Independent Director provides an objective view in audit, risk, and related-party matters and serves as a check and balance within the Board.

Section 3: Directors' Term of Office and Term Limits for Independent Directors

3.1 Term of Office

All Directors are elected by the stockholders at the Annual Meeting of Stockholders and shall hold office for one (1) year and until their successors are duly elected and qualified, consistent with Article III Section 2 of the By-Laws.

Vacancies occurring prior to expiration of a Director's term may be filled by a majority vote of the remaining Directors if still constituting a quorum; otherwise, the vacancy shall be filled by the stockholders at a meeting called for that purpose.

Each Director must devote sufficient time to fulfill responsibilities and shall attend at least fifty percent (50 %) of all meetings in a year.

Vacancies resulting from an increase in the number of directors shall be filled only by election at a regular or special meeting of stockholders called for that purpose.

3.2 Continuous Service and Re-Election

Directors may be re-elected for succeeding terms provided they continue to meet the qualifications prescribed by law, the Insurance Commission, and the Company's governance policies.

Re-nomination shall take into account attendance, participation, integrity, and overall contribution to the effectiveness of the Board.

3.3 Term Limit for Independent Directors

An Independent Director may serve for a maximum cumulative period of nine (9) years, whether continuously or intermittently.

After serving for nine (9) years, the individual shall be perpetually barred from re-election as an Independent Director in the Company.

However, re-election as a Non-Independent Director may be allowed subject to Board approval, meritorious justification, and disclosure to the Insurance Commission.

3.4 Rotation and Succession

The Board shall review its composition annually to ensure continuity of experience and orderly succession.

The Corporate Governance and Nomination Committee shall identify and recommend qualified candidates for election, maintaining an appropriate balance between continuity and renewal within the Board.

Section 4: Duties and Responsibilities of the Board

4.1 General Responsibilities

The Board shall have full control of all business affairs of the Company. All corporate powers shall be exercised, and all property of the Corporation controlled and held, by or under the authority of the Board of Directors, in accordance with Article III Section 1 of the By-Laws.

While management conducts day-to-day operations, the Board provides direction, policy, and oversight to ensure the long-term success and sound governance of the Company.

4.2 Specific Duties of the Board

In line with best practice and the Insurance Commission's Code of Corporate Governance for Insurance Brokers, the Board shall:

- (a) Define strategic goals and approve business plans. Confirm that management's objectives and budgets support long-term growth and prudent risk taking.
- (b) Establish and review policies. Approve key operating, risk, and compliance policies, including underwriting, financial, governance, and human-resource policies.

- (c) Monitor performance. Oversee implementation of strategies and evaluate results against approved plans and budgets.
- (d) Ensure compliance. See that Reliable complies with all laws, Insurance Commission regulations, and internal policies.
- (e) Strengthen risk management and internal control. Ensure that the Audit Committee and management maintain an effective system to identify, monitor, and manage material risks.
- (f) Oversee financial reporting. Approve audited financial statements and ensure the integrity and transparency of reports issued to regulators and the public.
- (g) Appoint and evaluate key officers. Approve the selection, performance goals, and remuneration of the President and key executives.
- (h) Approve related-party transactions. Review RPTs to make sure they are conducted on arm's-length terms and do not prejudice the Company or policyholders.
- (i) Promote good governance and ethics. Uphold the Company's Code of Business Conduct and act as model of integrity and professionalism.
- (j) Protect stakeholder interests. Balance the rights of shareholders, employees, and clients while maintaining financial soundness and service reliability.
- (k) Ensure succession planning for key management positions.

4.3 Oversight Functions through Committees

The Board shall discharge part of its oversight functions through properly constituted committees, including the Audit, Corporate Governance and Nomination, Risk Oversight, Remuneration, and Related Party Transactions Committees.

Each committee operates under a written charter approved by the Board. The Board remains collectively accountable for the actions of these committees.

4.4 Board Accountability and Transparency

The Board shall keep accurate and complete records of its proceedings and decisions.

It shall disclose material information required by regulators and stakeholders in a timely and truthful manner.

Every Director must avoid conflicts of interest and immediately disclose any actual or potential conflict to the Corporate Secretary for notation in the minutes.

4.5 Continuous Improvement

The Board shall conduct a self-assessment of its performance at least once a year and act on areas for improvement.

Directors shall participate in governance training and continuing professional education to maintain competence and readiness for evolving regulatory requirements.

Section 5: Board Meetings

5.1 Frequency of Meetings

The Board shall meet at least four (4) times each year—once per quarter—and as often as necessary.

5.2 Notice and Agenda

Notice of any regular or special meeting shall be given by the Secretary personally, or by telephone, electronic mail, written or oral message, in accordance with Article III Section 5 of the By-Laws, at least five (5) business days before the meeting unless urgent circumstances require shorter notice.

The agenda and supporting materials shall be prepared by Management under the guidance of the Chairman and Corporate Secretary.

5.3 Quorum and Voting

A majority of the number of Directors as fixed in the Articles of Incorporation shall constitute a quorum for the transaction of business. Every decision of at least a majority of the Directors present at a meeting at which there is a quorum shall be valid as a corporate act, except for matters where the law or By-Laws require a greater number.

5.4 Conduct of Meetings

Meetings shall be presided over by the Chairman of the Board, or in his absence, by any Director chosen by the Board. The Secretary shall act as secretary of every meeting; in the Secretary's absence, the presiding officer shall designate a secretary of the meeting.

5.5 Participation through Teleconference or Video Conference

Directors may attend meetings through teleconference, video conference, or other remote communication technology, in accordance with Insurance Commission and SEC rules.

Such participation shall be considered presence in the meeting for purposes of quorum and voting.

5.6 Minutes of Meetings

The Corporate Secretary shall record complete and accurate minutes of every meeting, including the resolutions adopted, matters discussed, and any dissenting opinions.

The minutes shall be signed by the Chairman and Corporate Secretary and approved by the Board at the next meeting.

Proper records of attendance and Board resolutions shall be maintained as part of the Company's governance documents.

5.7 Access to Management and Information

To support effective oversight, each Director shall have unrestricted access to Management, relevant officers, and Company information.

Management shall ensure that all documents and reports needed for decision-making are made available to the Board in a timely and reliable manner.

Section 6: Board Committees

6.1 Establishment of Committees

To ensure focused oversight and efficiency, the Board shall constitute committees that handle specific governance areas.

Each committee shall operate under a written charter approved by the Board, clearly defining its authority, composition, responsibilities, and reporting lines.

The Board retains collective responsibility for all acts of its committees.

6.2 Standing Committees

The following are the standing committees of Reliable Insurance Brokers, Inc.:

- (a) **Audit Committee** – Oversees the integrity of financial reporting, internal controls, and audit processes, both internal and external. It ensures that audit findings are properly addressed and that all compliance requirements are met.
- (b) **Corporate Governance and Nomination Committee** – Oversees governance practices and the nomination and selection of qualified directors and officers. It reviews the structure, size, and composition of the Board and committees to maintain effectiveness and diversity.
- (c) **Risk Oversight Committee** – Monitors the Company's risk profile and ensures that management maintains sound risk policies, including insurance, credit, operational, and compliance risks.
- (d) **Remuneration / Compensation Committee** – Reviews and recommends policies on compensation and benefits to align with performance, fairness, and regulatory standards.
- (e) **Related Party Transactions Committee** – Reviews all related-party transactions to confirm they are conducted at arm's length, on fair terms, and in the best interest of the Company and its stakeholders.

In smaller organizations, this function may be integrated with the Audit Committee subject to Board approval.

6.3 Composition and Qualifications

Each committee shall be composed of at least three (3) members of the Board, a majority of whom shall be non-executive directors.

The Chairman of the Audit Committee and the Related Party Transactions Committee shall be Independent Directors.

Members must possess the appropriate skills, knowledge, and experience for the duties assigned to their respective committees.

6.4 Meetings and Reporting

Each committee shall meet at least quarterly, or more frequently as circumstances require.

A report of committee discussions and recommendations shall be submitted to the Board at its next regular meeting for notation or approval.

All committee minutes and resolutions shall form part of the Company's official records.

6.5 Evaluation and Review

The Board shall review the performance and effectiveness of each committee annually.

Each committee charter shall be reviewed at least every two (2) years or as may be required by the Insurance Commission to ensure continuing relevance and alignment with best governance practice.

Section 7: Chairman and Corporate Secretary

7.1 Chairman of the Board

The Board is headed by a competent and qualified Chairman, preferably a non-executive director.

The Chairman is responsible for providing effective leadership and ensuring that the Board works efficiently and with focus. His specific duties include:

- (a) Making sure that meeting agendas concentrate on key strategic matters, including the Company's overall risk appetite, emerging business and regulatory developments, and major governance or operational issues;
- (b) Ensuring that the Board receives accurate, timely, and relevant information presented clearly and concisely to support sound decision-making;
- (c) Facilitating productive discussions by promoting open, constructive debate and drawing on the individual skills and expertise of each director;
- (d) Encouraging the Board to actively question and evaluate reports and representations made by Management;
- (e) Guaranteeing that new directors receive proper orientation and that all directors have continuing governance education; and
- (f) Ensuring that the Board's performance is formally evaluated at least once a year and that results are discussed and acted upon.

7.2 Corporate Secretary

The Corporate Secretary is an officer of the Company but not a member of the Board. The position carries a duty of loyalty to the Company's mission, vision, and objectives.

The Corporate Secretary must be a Filipino citizen who possesses strong administrative, communication, and interpersonal skills. If not serving as general counsel, he or she should still have a working knowledge of legal, financial, and governance matters.

The Corporate Secretary is primarily accountable to the Company and its shareholders and works closely with the Chairman, the President, and the Board.

The Corporate Secretary shall:

- (a) Safekeep and maintain the integrity of minutes of Board and Committee meetings and other official corporate records;
- (b) Stay informed of relevant laws, regulations, governance issuances, and industry developments, and advise the Board and Chairman on applicable matters;
- (c) Work objectively with the Board, Management, and shareholders to facilitate the flow of information among them;
- (d) Advise on the creation of Board Committees and their terms of reference;
- (e) Notify members of Board meetings in accordance with the By-laws—at least five days before regular meetings and at least three days before special meetings—and ensure they receive accurate materials for informed decisions;
- (f) Attend all Board meetings except when prevented by justifiable causes such as illness or emergency;
- (g) Perform the administrative functions required of the office;
- (h) Oversee the drafting and updating of By-laws to ensure regulatory compliance;
- (i) Attend corporate-governance training annually; and
- (j) Perform other duties and responsibilities as may be prescribed by the Insurance Commission.

Section 8: Performance Evaluation of the Board

The Board shall establish a system for the annual evaluation of its performance as a governing body, as well as the performance of its Committees and individual Directors.

The evaluation shall measure effectiveness in governance, decision-making, oversight, and compliance with the Company's mission and strategic goals.

The Corporate Governance and Nomination Committee shall oversee the process and ensure that evaluation tools and criteria are approved by the Board.

Results shall be discussed during a Board meeting, with corresponding improvement actions agreed upon and implemented.

At least once every three (3) years, the evaluation may be conducted with the assistance of an independent external evaluator to ensure objectivity and benchmarking against best practices.

Section 9: Directorship in Other Boards

A Director may serve on the Board of other corporations provided that such positions do not create a conflict of interest or interfere with the performance of his or her duties as a Director of the Company.

The Board shall determine and approve the maximum number of board seats that a Director may hold at any given time, consistent with Insurance Commission and Securities and Exchange Commission guidelines.

All directorships in other corporations, including subsidiaries and affiliates, must be disclosed to the Board and reported in the Company's Annual Corporate Governance Report (ACGR).

Section 10: Orientation and Continuing Education Programs and Training for Directors

All Directors shall undergo an orientation program upon appointment to ensure understanding of the Company's structure, business, and regulatory environment.

The Corporate Governance and Nomination Committee shall ensure that Directors receive continuing professional education on relevant topics such as corporate governance, risk management, insurance regulations, and industry developments.

Each Director shall attend an accredited corporate governance training program within six (6) months of appointment and shall complete annual continuing education thereafter in accordance with Insurance Commission requirements.

Training attendance shall be reported in the Annual Corporate Governance Report.

Section 11: Compensation of Directors

Directors may receive reasonable per diem allowances and other approved compensation for attending meetings and discharging their duties.

Pursuant to Article III Section 8 of the By-Laws, the total annual compensation of the Board shall not exceed ten percent (10 %) of the net income before income tax of the Corporation during the preceding year.

Such compensation shall be determined and apportioned among the Directors as the Board may deem proper, subject to the approval of stockholders representing at least a majority of the outstanding capital stock at a regular or special meeting.

Non-Executive Directors shall not receive performance-based incentives or remuneration that may compromise independence.

Section 12: Amendment

This Charter shall be reviewed periodically, or whenever necessary, to ensure continued alignment with the By-Laws, the Insurance Commission's corporate-governance requirements, and evolving best practices.

Amendments or revisions shall require approval of the Board of Directors during a duly called meeting and shall be recorded in the minutes.

Section 13: Miscellaneous

This Charter shall take effect upon its approval by the Board of Directors and shall form an integral part of the Company's Manual on Corporate Governance.

In case of conflict between this Charter and the By-Laws, the provisions of the By-Laws shall prevail.

Any matters not expressly covered herein shall be governed by the Revised Corporation Code, Insurance Commission and Securities and Exchange Commission regulations, and other applicable laws.

This Charter of the Board of Directors of Reliable Insurance Brokers, Inc. was adopted by the Board of the Company on _____ 2025 at Mandaluyong City.

Attest:

FELICISIMO M. NACINO, JR.
Chairman of the Board

ESPERANZA M. ATANACIO
Assistant Corporate Secretary