

## **Terms of Reference of Nomination and Remuneration Committee**

Marsh Philippines Inc. (“Marsh”) is committed towards ensuring that it adheres to the highest standards of corporate governance while achieving its strategic business objectives. Part of ensuring this is having a competent Board with proven competence and integrity to discharge their duties as such. Further, as continuity of the company’s success lies on the Board, their motivation and retention are important and to ensure that a framework is put in place and policies and procedures related thereto are implemented, the Board Nomination and Remuneration Committee is hereby constituted.

### **I. PURPOSE**

The Nomination and Remuneration Committee (“Committee”) will assist the Board in the governance and oversight responsibilities in relation to the selection and nomination of the members of the Board, as well as determine the appropriate framework for the remuneration of the members of the Board, subject to internal rules, policies and guidelines of Marsh. Specifically, the Committee will assist the Board in ensuring that it has the appropriate size, structure and balance while promoting equality, fairness, inclusion and diversity.

### **II. AUTHORITY**

The Board Nomination and Remuneration Committee derives its authority from the Board of Directors of Marsh Philippines, Inc. It is a committee of the Board exercising its duties by virtue of delegated authority. In the discharge of duties and responsibilities, the Committee shall in no way modify, amend, reduce or increase the responsibility of the Board under existing legislation, rules and regulations

The Committee possesses the following authority:

- (1) Subject to approval of the Board, engage external consultants and advisers.
- (2) Require employees, consultants, third parties to provide relevant information it needs in the exercise of its duties and responsibilities.
- (3) Approve matters relating to the discharge of their duties and responsibilities in so far as nomination and selection is concerned. In the exercise of duties relating to remuneration, the Committee shall not have the authority to decide. The Committee shall merely recommend the same for approval of the Board.

### **III. DUTIES AND RESPONSIBILITIES**

The Committee shall exercise the following governance and oversight duties and responsibilities:

- (1) Design and implement a framework for identifying, evaluating and recommending non-executive directors to the Board that will ensure appropriate mix of skills, experience and expertise. The Committee shall also ensure diversity and inclusion in the design and implementation of said framework.

- (2) Design and implement a framework for the study, evaluation and implementation of a fair, just and competitive remuneration of the directors to ensure that the structure remains attractive and as well as promote retention, motivation and high performance.
- (3) Design and implement a framework for selection, engagement, and appointment of senior officers and/or company executives.
- (4) Regularly report to the Board all matters that the Committee has taken up during its meetings.
- (5) Ensure that there is a formal and structured approach towards the selection and recommendation to the Board of its new members;
- (6) Recommend to the Board the appointment of members of the Board;
- (7) Review on a periodic basis the structure and fee level of non-executive directors;
- (8) Ensure and implement a process for on-boarding of new directors;
- (9) Put in place a formal succession plan for the Board;
- (10) Establish a framework for performance appraisal of the members of the Board.

#### **IV. COMPOSITION**

The Committee shall be composed of four (4) members of the Board. The Board shall appoint the members of the Committee, one of whom should be an independent director.

The members of the Committee shall elect a Chairperson. In no case shall the Chairman of the Board be elected as the Committee Chairperson.

The Chairperson shall preside the meetings of the Committee who may appoint a deputy from among the other Committee Members. The Chairperson shall have no casting vote.

The Committee shall appoint a Committee Secretary (“Secretary”). The Secretary shall act as secretary to the Committee and attend all meetings. He/she shall record the proceedings and decisions. Minutes of the meeting shall be circulated to all members and attendees and when confirmed, shall send the same to the Corporate Secretary.

The appointment shall be for a period of one year unless earlier revoked by the Board.

#### **V. MEETINGS**

The Committee shall meet on an annual basis unless there are matters that will require them to schedule a special meeting. Minutes of the meeting shall be sent to the Corporate Secretary for appropriate action of the Board, when required.

The Chairperson shall call the meetings.

No meeting shall be duly convened unless there is quorum. Quorum shall mean a total of three (3) members should be present during the meeting. Quorum is required before the Committee is able to exercise any and all of the authorities, powers and discretions which the Board has delegated to them.

The members of the Committee may attend any meeting in-person or virtually.

The Committee shall have the right to require any officer, employee, third party to attend the meeting on any manner related to the exercise of its duties and responsibilities.

## **VI. REPORTING AND GOVERNANCE**

The Committee shall conduct a self-assessment of its activities on an annual basis, results of which shall be submitted to the Board.

## **VII. REVIEW**

The Committee shall review the Terms of Reference on an annual basis and shall make recommendations to the Board on any changes it deems appropriate.