



**LACSON & LACSON INSURANCE BROKERS, INC.  
BOARD CHARTER**

**I. COMPOSITION OF THE BOARD**

1. The Board shall consist of at least five (5) Directors and at least twenty (20) percent of its composition are independent directors. Any appointment of directors must be elected by a simple majority of the stockholders in accordance with its corporate requirements. Each Director shall possess the qualification and none of the disqualification for Directors as set out in the Corporate By-laws and Corporate Governance Manual. In addition, the Directors must possess the necessary skills, competence and experience in terms of management capabilities, preferably in the field of insurance or insurance-related disciplines in accordance with IC Circular Letter No. 2020-71 on Code of Corporate Governance for Insurance Commission Regulated Companies.
2. The officers of the Board of Directors of LLIBI shall be the President, a Managing Director, Vice-President, Treasurer, and Secretary. These officers shall be elected for a term of one (1) year by a majority vote of the Board of Directors and shall hold office until their successors are duly elected and qualified.
3. The Secretary and the Compliance Officer must not be a Director of the Board.
4. LLIBI is committed to improving the diversity on the Board and at senior management level in terms of gender, social and ethnic backgrounds, skills, competence and knowledge, and aspires to increase the number of female independent directors.

The Board Composition should consider varied aspects of diversity including but not limited to gender, age, cultural and educational background, geographical location, professional experience, skills, knowledge, length of service of directors, and other regulatory requirements shall be considered and appropriately balanced in determining the optimum composition of the Board.

**II. RESPONSIBILITIES OF THE BOARD**

1. Managing and supervising the business affairs of the Corporation;



2. Applying and achieving the highest possible standards of corporate governance practices and policies;
3. Guiding the corporation towards its strategic directions;
4. Reviewing and approving plans established by the management;
5. Monitoring the performance of individual directors, its committees, and senior management;
6. Establishment and monitoring of internal controls and compliance with applicable legislative and regulatory requirements;
7. Delegation of authority to the management;
8. The Board may also appoint, from time to time, such assistant secretaries and assistant treasurers, and other agents, employees and laborers as may be recommended by the Managing Director/Chief Operating Officer, or may authorize the Managing Director/Chief Operating Officer to appoint and remove such agents, employees, and laborers;
9. Prescribe the powers and duties and fix the compensation of the officers, agents and employees of the corporation in the management of its property and affairs where such powers and duties are not prescribed by the By-Laws.

#### **A. Strategy**

1. The Board shall review the effectiveness of the strategic planning process, approve business objectives and strategic plans annually.
2. Corporate performance shall be continuously monitored against the agreed plans and objectives.

#### **B. Risk Management, Capital Management, and Internal Controls**

1. Approve and review compliance with policies and procedures for the management and control of risk, including capital management, and the internal control and management information systems that provide reasonable assurance as to the reliability of the Corporation's financial information and the safeguarding of its assets.
2. Review compliance with legislative and regulatory requirements.



### **C. Financial Reporting**

1. Review and approve the annual financial statements.
2. Review and monitor the quarterly financial results.
3. Oversee the Corporation's accounting and financial management systems.

### **D. Communication and Disclosure**

1. Approve the financial results for reporting to stakeholders on a timely basis.