

**HSBC INVESTMENT AND INSURANCE BROKERAGE, PHILIPPINES INC. (HIIB)**  
**EXECUTIVE COMMITTEE**  
**CORE TERMS OF REFERENCE**

**1. Mandate of the Committee**

The Committee shall assist the Board in fulfilling the day to day operation of the business of the Corporation by acting upon such matters as the Board may entrust to it for action.

**2. Relationships with other Committees**

The Parent Committee of the Committee shall be the HSBC Insurance Brokers (Philippines) Inc. Board. Minutes of the meetings of the Committee shall be presented to the Parent Committee for noting.

The Committee shall not have any Child Committees.

**3. Responsibilities of the Committee**

Without limiting the generality of the Committee's objective, the Committee shall have the following responsibilities, powers, authorities and discretion.

- The Committee shall have the power to pass and act upon such matters as the Board may entrust to it for action in between meetings of the Board of Directors.
- The Committee shall have the authority to create such committee or committees as may be deemed necessary for the best interest of the Corporation, defining their powers and duties.
- The Committee shall have the authority to delegate to the President or any other officer of the Bank, as well as to any committee or committees it may deem advisable, any power that it has or might have, as it may deem convenient for the advantage and benefit of the Corporation, subject to the limitations<sup>1</sup> as provided under the Group Corporate Governance Code.
- Minutes of the Committee meetings should be provided to the Board. The Chairman of the Committee should provide to each board meeting an update on significant matters considered by the Committee since the previous board meeting.
- The Committee shall review annually the Committee's terms of reference and its own effectiveness and recommend to the Board any necessary changes.

<sup>1</sup> The Board should establish an executive committee to which authority is delegated for the day-to-day running of the company. The Board should, however, reserve to itself for decision, at a minimum:

- a. Approval of strategic plans, operating plans, risk appetite and performance targets;
- b. Procedures for monitoring and controlling operations;
- c. The authority or the delegation of authority to approve credit, market risk limits, acquisitions, disposals, investments, capital expenditure or realization or creation of a new venture;
- d. The senior appointments specified in Section 2.2.5<sup>2</sup> of the Group Corporate Governance Code; and
- e. Any substantial change in balance sheet management policy

<sup>2</sup> The appointment of a former employee of the external auditor as a director must comply with the requirements set out in the Finance Functional Instruction Manual (Section B.12.2) and cross-referred to in the Human Resources Functional Instruction Manual (Section B.2.13).

#### **4. Membership, Chair and Secretary**

The Committee shall comprise the President, the Treasurer or the Chief Financial Officer and at least one (1) alternate member(s), who must be all members of the Board of Directors. The Board, however, may from time to time appoint additional members to the Committee from among the directors

The Chairman of the Board should not be a member of the Executive Committee.

The members of the Committee shall elect among themselves a Chairman and Vice-Chairman.

The Committee may invite any director, executive or other person to attend any meeting(s) of the Committee as it may from time to time consider desirable to assist the Committee in the attainment of its objective.

The corporate secretary and/or the assistant corporate secretary shall be the secretary of the Committee.

The Chair of the Committee shall be appointed by the Board, and unless otherwise determined by the Board, shall be the Country Head of RBWM in MNL. The Chair shall designate another Member of the Committee to chair any meeting that he/she is unable to attend.

Guest attendees including other executives, external experts, or any other persons may, where appropriate and at the discretion of the Chair, be invited to attend and present on items of particular expertise. A representative from Legal shall receive a standing invitation to attend, in addition to a representative from Audit shall receive a standing invitation to attend. Other standing invitees can be included at the discretion of the Chairman.

It is the responsibility of Members to ensure that decisions are implemented within their respective areas of authority.

Although Operational Risk are not a member or standing invitee of the committee they should be given the opportunity to raise items for inclusion on the agenda and should be invited whenever there are Operational Risk matters to be discussed or noted.

#### **5. Delegation of Attendance and Quorum**

The Committee shall meet **bi-monthly or minimum of 6 times per year at such times it may determine. However for corporate governance purposes, any one of HIIB EXCO can convene the EXCO at any time in between regular meetings.**

The agenda for such meeting shall be circulated by the Committee Secretary at least seven (7) days before the Committee meeting.

The meetings of the Committee shall be presided by its Chairman and in his absence by its Vice-Chairman and in the absence of both, by a member appointed from among those present. Majority of the regular members shall constitute a quorum of the Executive Committee.

#### **6. Authorities Delegated to Other Committees**

No authorities have been delegated to other committees.

## **7. Escalation and Reporting to Other Committees**

All significant issues arising in the committee meeting will be escalated to the Board. Escalation of issues will be risk based and not automatic. That an issue is being escalated will be explicitly mentioned and agreed to at this forum.

## **8. Standing Agenda Items**

The following items are Standing Items for the Committee and shall be included within the agenda for all meetings, unless there are no matters to be decided or significant reports to be given against them.

1. Chair's Report
2. Minutes and Matters Arising
3. Items for Decision
4. Items for Noting / Information
5. Emerging Themes and Issues
6. Other Matters
7. Date of Next Meeting

## **Committee Administration**

## **9. Procedures**

The Committee shall meet face-to-face or through audio / video conference. Meeting dates for the full year shall be advised no later than 15 December of the previous year ("Ordinary Meetings"), and the date of the next Ordinary Meeting formally noted at each meeting. No further notice shall be required to be given for each Ordinary Meeting.

At the discretion of the Chair, an Extraordinary Meeting of the Committee may be called with not less than ten working days' notice to Members. Notice requirements may be waived with the consent of a quorum.

Agenda items, including Standing Items, shall be advised to the Secretary, together with any supporting documentation, not less than seven working days in advance of the meeting. Proposed items advised later than this date may be accepted at the discretion of the Chair.

The agenda for each meeting shall specify for each item whether supporting documentation is to be reviewed, who will present the item, the starting time for that item, and the amount of time allocated for discussion and decision.

The agenda, minutes from the previous meeting, and any supporting documentation shall be circulated by the Secretary to all members not less than five working days in advance of the meeting. Additional agenda items and / or further supporting documentation may be circulated as Late Papers at the discretion of the Chair.

All items, including Late Papers, shall be presented to the Committee as read. Presentations should not restate the content of circulated materials, but should focus on the issues on which a decision is required.

Where items are for information or for noting, no presentation shall be given, but the Chair shall allow Members the opportunity to raise questions.

Draft minutes of the meeting shall be circulated by the Secretary not less than five working days following the meeting. Minutes shall capture the names and roles of all participants of the meeting, including but not limited to those Members in attendance. Names and roles of individuals invited, but unable to attend, shall also be documented. Any objections to the minutes, or requests for clarification, shall be received within ten working days following the meeting.

If a matter requires urgent attention, materials may be circulated via email to Committee Members for review and approval before the next scheduled meeting. Such items / approvals shall be ratified at the next scheduled meeting and formally noted in meeting minutes.

#### **10. Information Security**

Papers for the Committee shall in general be classified as Restricted. Where papers are classified as Highly Restricted, these shall be circulated separately from the main meeting materials in accordance with the Group's policy for the handling of Highly Restricted information.

**Approved: 22 June 2019**