

FPG INSURANCE CO., INC.

Board of Directors Terms of Reference

1. Objectives

The Terms of Reference of the Board of Directors sets out the key roles, functions and processes of the Board of Directors (“Board”) of FPG Insurance Co., Inc.

The Board acknowledges the importance of adopting good corporate governance a fundamental part of discharging its duties to protect and enhance the Shareholder’s value and safeguard the interest of stakeholders

2. Membership

The Board will be comprised of a minimum number of directors and a maximum number of directors as specified in the articles of the Company.

Nominees for directors may be recommended by any member of the Board, will be considered and approved by the Board as a whole and will be elected annually by the shareholders of the Company.

3. Quorum

A quorum for a meeting is a majority of the whole number of directors shall constitute a quorum for transaction of Business.

4. Frequency and Place of Meetings

Regular Meeting may be held at such time and places, and upon such notice as the Board of Directors by resolution may prescribed.

Special Meeting may be called by the President or upon written request of atleast two (2) directors, upon atleast one day’s notice as to the time and place of the holding of the meetings.

5. Minutes of Meetings

The Secretary shall minute the actions, recommendations and resolutions of all meetings of the Committee, including recording the names of those present and in attendance. Minutes of Meeting shall be circulated to all members of the Committee as soon as practicable after each meeting.

6. Duties and Responsibilities:

The Board of Directors is primarily responsible for defining FPG Insurance Co.’s vision and mission. The Board should oversee the development of and approve the company’s business objectives and strategy, and monitor their implementation, in order to sustain the company’s competitiveness and strength.

The Board shall conduct itself with utmost honesty and integrity in the performance of, among others, the following collective duties and responsibilities:

- Reviewing and determining the Company's strategic objective.
- Determining the Company's key policies, values and standards.
- Establishing the framework of controls which enable risk to be assessed and managed.
- Establishing the culture of the Company.
- Ensuring that the necessary human and financial resources are in place.
- Monitoring progress towards the achievement of objectives and compliance with policies, values and standards
- Constitute an Audit Committee and such other committees it deems necessary to assist the Board in the performance of its duties and responsibilities.

7. Committees

Certain of the Board's responsibilities may be delegated to Board committees. The composition, responsibilities and authority of those committees will be set forth in their charters and terms of reference as approved by the Board from time to time.

8. Review

The Board shall, at least once a year, review its own performance and TOR to ensure that it operates effectively.