

I. OBJECTIVE

In compliance with the provisions of the Revised Code of Good Governance, the Compensation Committee (the “Committee”) of the Board of Directors (the “Board”) of Prudential Guarantee and Assurance, Inc. (“Prudential Guarantee”) is hereby created and established.

This Committee is primarily responsible in assisting the Board in the oversight of the compensation and personnel practices of Prudential Guarantee in the following areas:

- a. Compensation philosophy and plan design;
- b. Compensation of the Chief Executive Officer (the “CEO”) and other members of Prudential Guarantee’s Management;
- c. Director compensation;
- d. Executive succession and development planning; and,
- e. Benefit plans

II. COMMITTEE MEMBERSHIP

The Committee shall be composed of at least three (3) Members of the Board of Directors, with at least majority of its membership being Independent Directors, and with one (1) sitting as Committee Chair. The Board will appoint, and may remove, members of the Committee and the Committee Chair, acting on the recommendation of the Committee.

III. COMMITTEE MEETINGS AND AUTHORITY

The Committee will meet as often as it deems appropriate, but no less frequently than two times per year. The Committee will have the authority to retain legal, accounting and other experts or advisors under such terms and with the payment of such fees as the Committee in its sole discretion determines appropriate to assist the Committee in fulfilling its duties.

IV. DUTIES AND RESPONSIBILITIES

The Committee shall be responsible with:

- a. Reviewing and approving:
 - i. Structure, principles, and philosophy of compensation and benefit plans for directors, executives, and employees;
 - ii. Changes to executive compensation plan design;
 - iii. Material changes to the design of other compensation plans;
 - iv. Measures and objectives which affect the level of payment under incentive and performance-based plans;
 - v. Target compensation of the members of Management (other than the CEO) and their actual compensation based on an evaluation of their performance in light of approved measures and objectives;
 - vi. Overall funds for annual merit increases, annual incentive payments, and executive long-term compensation payments and awards;
 - vii. Elements of executive non-cash compensation for members of Management (other than the CEO and other than benefits and related plans available to employees generally) not within the approval authority of the CEO; and,

- viii. Employment agreements and retirement policy for members of Management (other than the CEO).
- b. Reviewing and recommending to the Board (in the case of CEO compensation, the Independent Directors) for approval:
 - i. Target compensation of the CEO and the CEO's actual compensation based on the Committee's evaluation of the CEO's performance, in light of approved measures and objectives;
 - ii. Elements of executive non-cash compensation for the CEO (other than benefits and related plans available to employees generally);
 - iii. Employment agreements and retirement policy for the CEO;
 - iv. Succession and development plans for the CEO and other members of Management;
 - v. Director compensation, including measures and objectives for director long-term plans and awards thereunder; and,
 - vi. The Directors' Deferred Compensation Plan and any changes thereto.
- c. Reviewing policies, practices, and potential risks for executive development and succession; and,
- d. Reviewing and discussing with Management potential risks associated with compensation, and steps management has to take to monitor and control these risks.

V. DIRECTOR'S REMUNERATION

The directors of the Corporation shall not receive any compensation in their capacity as such, except for reasonable per diems: Provided, however, that the stockholders representing at least a majority of the outstanding capital stock may grant directors with compensation, upon recommendation of the Compensation Committee, and approve the amount thereof at the Annual Stockholders' Meeting, subject to the rules set under Section 29 of the Revised Corporation Code of the Philippines.

This revision of the Compensation Committee Charter was approved by the Board of Directors of Prudential Guarantee on November 06, 2017.