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Allianz PNB Life

Audit, Compliance and Risk Management Committee Charter

Authorization:

The content of this document has been reviewed and approved as follows:

Version	Valid From	Authorized by
8.0	12 December 2025	**Allianz PNB Life Board of Directors**

1.0 OBJECTIVE

1.1 Corporate Governance is increasingly the focus of regulators and investigators. Current regulations and practices point to the Audit Committee as an operative mechanism in enhancing corporate governance process. Not only do well governed companies better manage risk exposures – they also improve business performance and strengthen confidence of stakeholders through increased transparency and accountability.

Undoubtedly, an effective Audit, Compliance, and Risk Management Committee is one of the key drivers in the management and mitigation of risks.

2.0 SCOPE OF DUTIES AND RESPONSIBILITIES

2.1 The Committee is thus formed to assist the Board in fulfilling its oversight responsibilities on the following:
a. Financial reporting process;
b. System of internal control and audit process;
c. Risk management;
d. Monitoring compliance with laws and regulations and its own Code of Business Conduct; and
e. Implementation of the Company's Audit, Compliance, Risk, Actuarial, Accounting and Outsourcing Policies.

In performing its duties, the Committee shall work with the Board of Directors, management, and the internal and external auditors. To effectively discharge its function, each committee member shall endeavor to have a good understanding of the corporation's business operations and risk exposures.

3.0 AUDIT

3.1 Role and Responsibilities on Financial Reports/ Statements

a. Determine and review financial risks and management of exposures. Inquire from management and the internal and external auditors about significant risks and exposures and the plans to minimize such risks.
b. Review the annual financial statements and determine whether they are complete and consistent with standards, assess whether the financial statements reflect appropriate accounting principles.
c. Determine with the internal and external auditors any fraud and/or illegal act/ deficiency in internal control of other similar issues and seek measures on how to mitigate or avoid them.
d. Review significant accounting and reporting issues, including recent professional and regulatory pronouncements, and understand their impact on the financial statements.
e. Review pending litigation or anticipated legal issues, which could have significant financial impact on the Corporation.
f. Meet with the external auditors and management to review the financial statements and the results of the audit and to recommend to the Board the approval of the audited financial statements.

3.1.1 Internal Control

a. Evaluate the effectiveness of the Corporation's internal control system, including information technology security and control.
b. Review internal control recommendations made by internal and external auditors and regulatory agencies and ensure that appropriate corrective actions are made/taken in a timely manner.

3.1.2 Internal Audit

a. Review the function and organization structure of Internal Audit and Compliance and ensure that no unjustified restrictions or limitations are made.
b. Review and approve audit and coordinate activities of the internal and external audit.
c. Review the qualifications of Internal Audit personnel and concur in the appointment, removal, re-assignment or dismissal of the Head of Internal Audit.
d. Ensure that significant findings and recommendations made by the Internal Auditors are received, discussed and acted upon on a timely basis.
e. Ensure that management promptly responds to recommendations by the Internal Auditors.

3.1.3 External Audit

a. Review the external auditors' proposed plans, scope and approach including coordination of audit effort with internal audit.

b. Review the performance of the external auditors.

1. The appointment, reappointment, removal, and fees of the external auditor should be recommended by the Audit Committee, approved by the Board and ratified by the shareholders.

2. For removal of the external auditor, the reasons for removal or change should be disclosed to the regulators and the public through the company website and required disclosures.

3. Assess the integrity and independence of external auditors.

c. Consider the independence of the external auditors, including reviewing the range of services provided in the context of all consulting services engaged by the Corporation.

d. Make recommendations to the Board regarding the appointment and removal of external auditors.

e. Ensure that significant findings and recommendations made by external auditors are received, discussed and acted upon on a timely basis.

4.0 COMPLIANCE

a. Review the function and organization structure of Compliance and ensure that no unjustified restrictions or limitations are made.

b. Review and approve the compliance programs/plans

c. Review the qualifications of the Compliance personnel and concur in the appointment, removal, re-assignment, or dismissal of the Head of Compliance.

d. Review the effectiveness of the system of monitoring compliance with laws and regulations and results of management's investigation and follow-ups (including disciplinary action) of any fraudulent acts or non-compliance issues.

e. Ensure that all regulatory compliance matters have been considered in the preparation of the financial statements.

f. Review the findings of any examination by regulatory agencies.

g. Obtain regular updates from management and legal counsel on compliance matters.

4.1.1 Other Responsibilities

a. Perform other oversight functions as may be required.

5.0 RISKS

a. Direct management to submit regular reports on current risks exposures on operations, insurance, legal, compliance, strategic, reputation and technology, credit, market, interest, and liquidity risks and to address said risks.

b. Formulate and review risk policies and procedures.

c. Approve or endorse for Board Approval the proposed risk policies and procedures.

d. Identify and evaluate risk exposures – assess the probability of each risk becoming reality and estimate its possible effect and cost. Priority areas of concern are those risks that are most likely to occur (high probability) and are costly when they happen (high severity).

e. Develop a written plan defining the strategies for managing and controlling major risks. It shall identity practicable strategies to reduce the chance of harm and failure or minimize losses if the risk becomes real.

f. Oversee the implementation of the risk management plan by conducting regular discussions on the company's risk current exposures based on regular management reports and assess how the concerned units or offices reduce these risks.

g. Evaluate the risk management plan to ensure its continued relevancy, comprehensiveness, and effectiveness. It shall revisit strategies, look for emerging or changing exposures, and stay abreast of developments that affect the likelihood of harm or loss.

6.0 REPORTING

a. Regularly update the Board about the Committee's activities and make appropriate recommendations.
b. Ensure that the Board is aware of matters, which may significantly impact the financial condition or business affairs of the Corporation.
c. Responsible for coordinating, monitoring, and facilitating compliance with existing laws, rules, and regulations including anti-money laundering. For this purpose, the Compliance Officer shall report directly to the Committee.
d. Establish the reporting line of the Chief Audit Executive so that the reporting levels allows the internal audit activity to fulfil its duties and responsibilities.
The Internal Auditor shall report directly to the Audit Committee functionally.

7.0 ORGANIZATION

a. Membership

The Committee shall comprise of four (4) members, three (3) of whom shall be nominated by Allianz and one (1) of whom shall be nominated by PNB. Two (2) Committee members shall be independent directors, including the Chairman. The Board shall nominate the Chairman and members of the Committee. A majority of the members of the Committee shall constitute a quorum for the meeting.

b. Meetings

Meetings shall be held quarterly or more frequently as circumstances may require, upon the call of the Chairman or upon the instance of a majority of the members of the Committee. Committee meetings shall follow an agenda to impose shape and discipline and to help the Chairman to control the meetings. A formal Agenda, together with any necessary papers, should be circulated in sufficient time to allow members to prepare for the meeting. The Secretary shall take minutes of Committee meetings.

8.0 AUTHORITY

The Board may authorize the Committee to seek any information it requires from any employee (and all employees are directed to cooperate with any request made by the committee), external parties, obtain outside legal or other professional advice and ensure the attendance of company officers and meetings as appropriate.

9.0 EVALUATION OF COMMITTEE PERFORMANCE

The committee conducts an annual self-assessment of their performance. The Board shall conduct a deliberation on the respective individual and committee performances in the Corporate Governance Nomination Compensation Committee (CGNC) meeting.

1. The Committee shall regularly monitor corporate performance vs. the strategic and business plans, and vs. annual financial objectives and operating plans/targets as well as risk management.
2. The Committee members shall participate in the annual performance evaluation to assess the effectively, including evaluation of Committee performance itself.
3. The Committee shall consider the individual expertise of the Director to be an effective member to carry out various critical responsibilities.

10.0 REVIEW OF THE CHARTER

The Committee shall review and assess the adequacy of this Charter annually and recommend proposed changes to the Board of Directors for approval.

11.0 ANNEX/REFERENCES

Board Performance Evaluation Form

Document Information:

Document:	Allianz PNB Life Investment Committee Charter
Author(s):	Allianz PNB Life Legal & Compliance Department
Contact Person(s):	Amor Datinguinoo
Area of Application:	Allianz PNB Life Insurance, Inc.

Amendments and Updates:

Version	Date	Reason for and Extent of Changes	Author(s)
1.0	2013	Original	Gregorio Balatan
2.0	8 November 2017	Annual review; alignment with Amended By-Laws (August 2017); alignment with the Compliance Policy (July 2017), Risk Policies (July 2017), Actuarial Policy (November 2017), Accounting Policy (November 2017) and Outsourcing Policy (November 2017).	Amor Datinguinoo
3.0	12 December 2018	Addition and/ or change of "replacement" to "removal", as recommended by the Compliance Officer.	Gregorio Balatan
4.0	23 February 2021	Alignment with the Insurance Commission's Revised Corporate Governance Code or IC CL 2020-71 dated June 2020 Update correct version control of Version 2.1 dated December 12, 2018 to Version 3.0	Amor Datinguinoo
5.0	11 November 2022	Annual Review – No proposed changes	Amor Datinguinoo
6.0	November 2023	Annual Review – No proposed changes	Amor Datinguinoo
7.0	12 December 2024	Annual Review – No proposed changes	Amor Datinguinoo
8.0	12 December 2025	Annual Review – No proposed changes	Amor Datinguinoo