



AXA ASIA PACIFIC HOLDINGS LIMITED

BOARD REMUNERATION COMMITTEE

TERMS OF REFERENCE

1 April 2010

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1. Purpose

The purpose of the Board Remuneration Committee (the Committee) is to assist AXA Asia Pacific Holdings Limited's (AXA APH) Board of Directors (the Board) in fulfilling its governance and oversight responsibilities for:

- reviewing and approving remuneration strategies, which:
 - attract, motivate and retain high performing senior executives, management and employees;
 - align remuneration with appropriate business and individual performance, measures and associated risks;
 - motivate senior executives, management and employees to pursue the long-term growth and financial soundness of AXA APH within an appropriate risk management and control framework;
- ensuring the highest standards of governance and disclosure in relation to remuneration.

Senior executives are defined as the Group Chief Executive Officer, the Asia Life Regional Chief Executive, the Chief Executive Officer, Australia, the Chief Executive Officer, New Zealand and all their direct reports, the Group Chief Financial Officer, The Chief Risk Officer, the Group General Counsel and Company Secretary, the Chief Financial Officer, Australia the Group Taxation Manager, Group Internal Audit Manager and members of the leadership teams in Australia and the Asia Pacific Region.

The role of the Committee in no way reduces the responsibility of the Board under relevant laws and regulations in respect of governance and oversight of AXA APH.

2. Scope

The scope of the Committee covers all remuneration activities of the AXA APH Group including AXA APH and its subsidiary companies located in Australia and New Zealand and the Asia Pacific Region.

3. Authority

The Committee is empowered to:

- engage external consultants and advisers in a manner that ensures that the engagement, including any advice received, is independent.
- seek any information it requires for the performance of its function from management and employees – all of whom are directed to co-operate with the Committee's requests;
- meet with officers of AXA APH or external consultants or advisers, as necessary;

approve matters relating to remuneration within the authorities delegated to it by the Board.

4. Access

The members of the Committee must have free and unfettered access to persons whose primary role is risk management, compliance, internal audit, financial control or actuarial control (hereinafter referred to as 'risk and financial control personnel') and other parties both internal and external in carrying out its duties.

The Board of any life company within the AXA APH Group will also have unfettered access to the Board Remuneration Committee. The Committee acknowledges that the Board of such entities may amend any recommendation of the Committee where the Board of the life company considers it appropriate to do so for that regulated institution and the amendment does not conflict or negate any legal or regulatory requirement.

5. Composition

The Committee should consist of at least three and no more than six non-executive Directors of AXA APH. The Board will appoint Committee members and the Chairman of the Committee. The Committee Chairman and the majority of the Committee shall be independent non-executive Directors.

An independent Director is a non-executive Director who is not a member of management and who is free of any business or other relationship that could materially interfere with – or could reasonably be perceived to materially interfere with – the independent exercise of their judgement.

When determining the independent status of a Director, the Board should consider whether the Director:

- is a substantial shareholder of AXA APH or an officer of, or otherwise associated directly with, a substantial shareholder of AXA APH;
- is employed or has previously been employed in an executive capacity by AXA APH or another group member and there has not been a period of at least three years between ceasing such employment and serving on the board;
- has within the last three years been a principal of a material professional adviser or a material consultant to AXA APH or another group member, or an employee materially associated with the service provided;
- is a material supplier or customer of AXA APH or another group member or an officer of or otherwise associated directly or indirectly with a material supplier or customer;
- has a material contractual relationship with AXA APH, the AXA APH Group or any AXA APH subsidiary other than as a Director of AXA APH.

Being an independent Director of National Mutual Life Association of Australasia Limited (NMLA) does not prevent a Director from being classified as an independent Director for this purpose.

Any non-executive Director may attend any meeting of the Committee after giving notice to the Committee Chairman.

6. Meetings

The Committee shall meet at least three times a year, with authority to convene additional meetings as circumstances require. Meetings may be held and resolutions passed by means of a conference call or similar communications equipment or any other technology or process by means of which Board meetings may be held and resolutions passed under the relevant provisions of AXA APH's Constitution and the

Corporations Act.

The Committee may require members of management, consultants, advisers or others to attend meetings and provide information as it deems desirable. It can hold private meetings with consultants or advisers and meetings with management and/or staff members.

A quorum of any meeting will be two members, one of whom must be an independent Director as defined under these Terms of Reference.

Meeting agendas will be prepared and provided in advance to members along with appropriate papers. Minutes will be prepared, approved by the Committee and circulated to the Board.

7. Secretary

The AXA APH Company Secretary shall be the Secretary of the Committee.

8. Responsibilities

The Committee has the following responsibilities:

8.1 Remuneration and performance

The Committee shall:

- conduct regular reviews of and make recommendations to the Board in respect of the Remuneration Policy, which will dictate the remuneration principles of the AXA APH Group. This will include an assessment of the Remuneration Policy's effectiveness and compliance with the [Australian Prudential Regulation Authority (APRA) Standard LPS 510 (Governance)];
- review the performance of the Group Chief Executive, senior managers and persons who perform activities for a subsidiary of AXA APH where those activities may materially affect the whole or a substantial part of the business of AXA APH or its financial standing, either directly or indirectly, hereinafter referred to as 'responsible persons'.
- review and make recommendations on an annual basis to the Board in respect of the remuneration of the Group Chief Executive, direct reports of the Group Chief Executive and any other persons whom the Board considers their role can affect the financial soundness of the company. This review will encompass, but not be limited to, the following remuneration components (if relevant):
 - base remuneration;
 - short and long term incentives including measures, targets and approval of payments;
 - contractual terms of employment;
- make annual reviews and recommendations to the Board on the remuneration structures of all persons covered by the remuneration policy.
- approve budgets for employees within the AXA APH Group in relation to base salary reviews, team and other incentive payments;
- approve material changes to superannuation and/or pension arrangements within the AXA APH Group;
- review and make recommendations to the Board on equity based strategies and significant changes to the administration of any AXA APH equity plan.

8.2 Appointments

The Committee shall:

- make recommendations to the Board on the selection and appointment of the Group Chief Executive and confirm the appointment of direct reports to the Group Chief Executive.

8.3 Governance and disclosure

The Committee shall:

- review any reports required by law or listing rules or other items requested by the Board including relevant remuneration sections of the annual report and other shareholder documents;
- be available to meet with external regulators, such as APRA upon request.

9. Reporting responsibilities

The Committee shall:

- report verbally to the Board after each Committee meeting;
- circulate minutes of all Committee meetings to the Board;
- report annually to shareholders, describing the Committee's composition and responsibilities and how those responsibilities were discharged;
- be responsible for ensuring that appropriate procedures are in place to ensure compliance with legislative and regulatory requirements and, where adopted by the Board, voluntary codes of conduct on disclosure of remuneration.

10. General

The Committee will carry out any other responsibilities and functions that may be delegated to it by the Board.

11. Review of the Terms of Reference

The Committee will:

- review the Committee's Terms of Reference annually from the date of approval or more frequently if changes to legal or regulatory requirements dictate;
- discuss any required changes with the Board; and
- operate in accordance with the revised Terms of Reference once approved by the Board.