

PACIFIC LIFECORP
BOARD AND CORPORATE
GOVERNANCE GUIDELINES
AND COMMITTEE CHARTERS

Approved
Board of Directors Meeting

March 8, 2012

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OVERARCHING GOVERNANCE PRINCIPLES

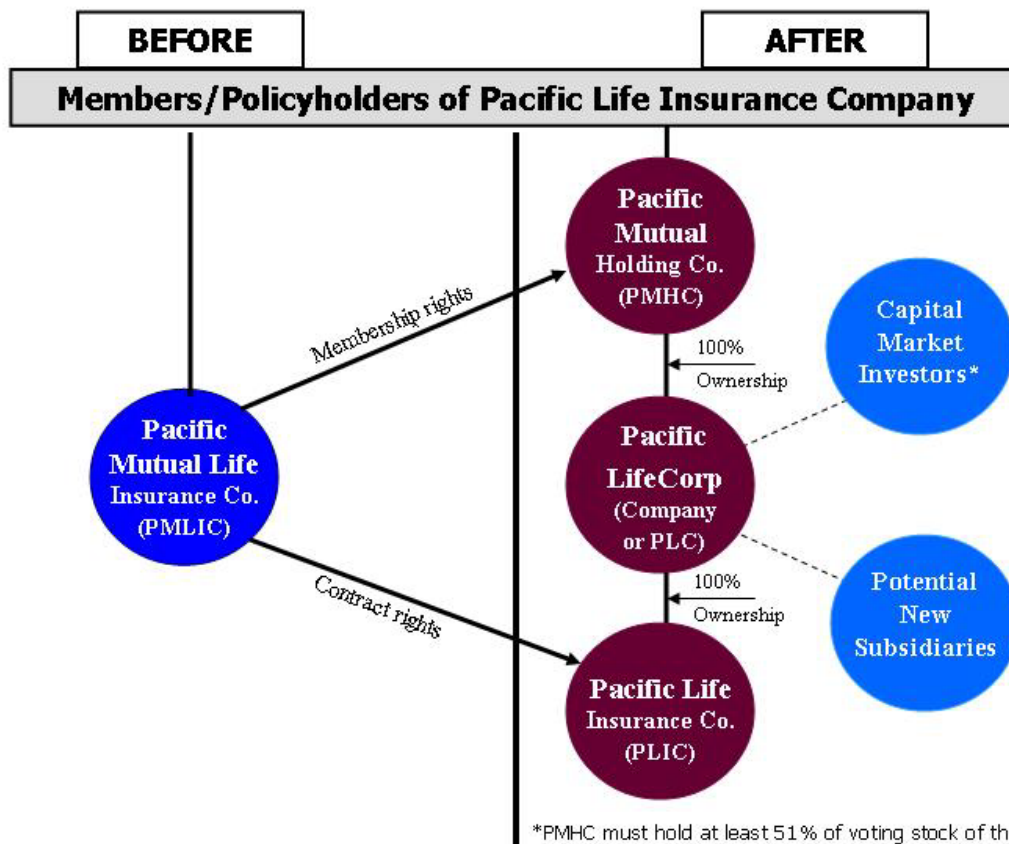
We are a mutual company.

While our business units are separate, we operate as one company.

The group of entities comprising the Pacific Life enterprise is the result of the reorganization in the 1990's of Pacific Mutual Life Insurance Company to the mutual holding company form of structure. Organized as a traditional mutual life insurance company up until 1997, Pacific Life – then known as Pacific Mutual – retained after the reorganization the overriding principle that it is in business to benefit its customers who are its policyholders. These customers have contractual rights spelled out in policies of insurance and also have rights to vote for the Board of Directors and other rights akin to those of a shareholder of a stock corporation. In the 1997 mutual holding company reorganization, the policyholders of Pacific Mutual automatically became members of Pacific Mutual Holding Company ("PMHC"). It holds all of the stock of Pacific LifeCorp ("Company" or "PLC"), which in turn holds all of the stock of Pacific Life Insurance Company ("PLIC").

This diagram demonstrates the transformation which occurred in the mutual holding company reorganization:

PMLIC Transformation to Mutual Holding Company Structure



While the corporate form has changed, the substance that the enterprise is a "mutual" has stayed the same. Policyholder-customers continue to exercise their rights to govern, but now it is done through being a member of PMHC.

Membership

Some attributes of being a member are:

- Every policyholder of PLIC is automatically a member of PMHC.
- Membership ceases when status as a policyholder terminates, e.g. maturity, surrender or death, and cannot be transferred independently from the policy.
- There is no separate consideration paid by the policyholder for the member interest and, generally, policyholders do not purchase a policy or contract with the intent to monetize the member interest thereby created. Unlike purchasers of stock, members do not have an equity owner's possibility of appreciation nor do they have an expectation of risk of loss in their policy value.
- Voting at annual or special members' meetings.
- As with mutual insurance companies, each member is entitled to one vote irrespective of the size or number of policies owned.

Operation of Holding Companies

One example of "one company" operations is the coordination of Board functions by PMHC at PLC. Examples of such operations include these:

- 1) The combined PMHC and Company Boards meet simultaneously with actions taken concurrently. These two Boards have at least five members in common and consist predominantly of directors who are independent of company management. Generally, the term "Board" as used in these guidelines means the combination of Boards of Directors.
- 2) The independent directors of PMHC who are not directors of the Company constitute the Member Interests Committee of PMHC. The independent directors of the Company who are not directors of PMHC constitute the Corporate Interests Committee. These committees must approve inter-company transactions involving PMHC and the Company (or PLIC).
- 3) The Boards of PLIC and other subsidiaries consist entirely of management directors (unless otherwise required by law or regulation). Any significant actions by these "insider" Boards are either pre-approved by, pre-endorsed by, or reported to the Company Board.

Mutual

Examples of elements of operating as a “mutual” include these:

- 1) Policyholders of insurance contracts of PLIC (but not of Pacific Life & Annuity Company) are automatically Members of PMHC.
- 2) PMHC has no shareholders. Members as a group control the entire entity by electing the directors of PMHC. PMHC directors, through majority ownership by PMHC of the Company, elect the directors of the Company.
- 3) If PMHC were to be “liquidated” or “wound up,” or if a majority of the “downstream” assets were to be sold, then the value of the net worth of PMHC would be distributed among then current Members.
- 4) We believe that the ethical, legal and practical responsibilities of the Board to Members are fulfilled by:
 - (a) Satisfying Members, present and future, as customers. This means first, meeting all financial guarantees made under our contracts and then, fulfilling the reasonable expectations of policyholders with respect to product performance and service.
 - (b) Building long-term corporate value. A long-term focus is essential to the long-term nature of our products. Sustained building of the value of the organization will provide an ever-stronger base to support our financial guarantees and will ensure our continued ability to provide products and services to new generations of policyholders in the future.
 - (c) Performing legal duties, including the duty of care, the duty of loyalty and the duty to act in good faith. These duties are substantially the same as the duties of directors of publicly held corporations.
- 5) Each Director, as part of their compensation, will be issued a policy of insurance or annuity contract at the end of their first year of service on the Board. Each director shall be required to maintain that policy or contract during their tenure on the Board.

Legal Domicile Changed to Nebraska

In 2005 PLIC changed its state of legal domicile from California to Nebraska. The primary purpose was to reduce the amount of “retaliatory” premium taxes paid in connection with the sale of insurance policies. In 2007 the legal domicile of PMHC was transferred to Nebraska to achieve unification under one state regulator of PMHC and PLIC. While the changes in domicile did not affect the location of the Company’s headquarters or its operations, they do make Nebraska the primary regulator of PLIC from an insurance standpoint as well as PMHC and the Company on a number of issues. The Company remains a Delaware corporation and subject to its corporate law.

GENERAL BOARD GUIDELINES

1. Board Responsibilities

The primary responsibility of the Board is to oversee the affairs of the Company with the mission of perpetuating a successful business and optimizing both long-term financial returns and a sound financial condition in a manner consistent with applicable legal requirements and ethical considerations. The Board is responsible for identifying and taking reasonable actions to assure that the Company is managed in a way designed to achieve these results.

Consistent with the importance of the Board's responsibilities, each Director is expected to be familiar with the Company's business, to review in advance of Board and Committee meetings all related materials distributed to the Board and Committee members and to attend and participate in meetings of the Board and any meetings of Committees of which such Director is a member.

2. Size and Composition of the Board

Generally the number of Directors will be eleven to thirteen with at least 75% of the Board consisting of Independent Directors. However, the Board may increase that number temporarily in order to accommodate the availability of a candidate or to provide transition periods in anticipation of planned retirements. The employee or active management Directors will include the CEO.

3. Definitions of Independent Director

The Company follows the New York Stock Exchange definition and practice of identifying Independent Directors which in its current form is stated below.

An "Independent Director" is one who:

- (1) is not, and has not been within the past three years, an employee of the Company or any of its affiliates and does not have an immediate family member who is, or has been within the last three years, an executive officer of the Company or any of its affiliates;
- (2) (i) is not a current partner or employee of a firm that is the Company's or any of its affiliates' independent auditor; (ii) does not have an immediate family member who is a current partner of the Company's or any of its affiliates' independent auditor; (iii) does not have an immediate family member who is a current employee of the Company's or any of its affiliates' independent auditor and personally works on the Company's audit; or (iv) has not been within the last three years, and does not have an immediate family member who was within the last three years, a partner or employee of the Company's or any of its affiliates' independent auditor and personally worked on the Company's audit within that time;

- (3) is not and has not been within the last three years, and does not have an immediate family member who is or has been within the last three years, employed as an executive officer of another company where any of the Company's present executive officers at the same time serves or served on that company's compensation committee;
- (4) does not receive or has not received, or does not have an immediate family member who receives or has received, during any twelve-month period within the last three years, more than \$120,000 in direct compensation from the Company, other than Director and Committee fees and pensions or other forms of deferred compensation for prior service (provided such compensation is not contingent on any continued service); or
- (5) is not a current employee, and does not have an immediate family member who is a current executive officer, of another company that made payments to, or received payments from, the Company for property or services in an amount which, in any of the last three fiscal years, exceeds the greater of \$1 million or 2% of the other company's consolidated gross revenues as reported in such company's last completed fiscal year; and
- (6) has been determined by the Governance and Nominating Committee not to have any other material relationship with or to the Company or its management (either directly or as a partner, shareholder or officer of an organization that has a material relationship with or to the Company or its management) that could impair, or perceive to impair, that individual's independence. The Committee will review the independence of non-management Directors annually.

For purposes of determining a Director's independence, immediate family members include a Director's parents, spouse, children, siblings, mothers and fathers-in-law, sons and daughters-in-law, brothers and sisters-in-law, and anyone who shares that person's home (other than domestic employees).

In assessing the materiality of any existing or proposed Director's relationship with the Company, the Governance and Nominating Committee will consider all relevant facts and circumstances. Material relationships can include, but are not limited to, commercial, industrial, banking, consulting, legal, accounting, charitable and familial relationships. The Governance and Nominating Committee should evaluate materiality not only from the perspective of the Director but also from that of persons and organizations with which the Director has a relationship. The Governance and Nominating Committee may adopt categorical standards to assist it in making determinations of independence.

4. **Selection of Chairman and Chief Executive Officer**

One of the most important responsibilities of the Board is the selection of a Chairman and a Chief Executive Officer. Whether these positions should be held by the same person should be determined by the Board from time to time depending on what is in the best interests of the Company and the Members in those particular circumstances.

5. **Lead Director**

Annually, the Board, with input from the Governance and Nominating Committee, as part of the Organizational meeting following the Annual Members Meeting, shall designate one of the Independent Directors to serve as Lead Director for the ensuing year. The Lead Director shall:

- chair the executive sessions of the Board, and
- assume such other duties as the Board determines from time to time.

MEETINGS

6. **Board Meetings**

The Chairman, in consultation with Board members, will determine the frequency and length of the meetings of the Board. Presently there are five regularly scheduled meetings annually. Additionally, unscheduled Board meetings may be called at any time to address specific needs of the Company.

7. **Meeting Agendas**

The Chairman and the CEO (if the Chairman is not the CEO) will establish the agenda for each Board meeting. Each Board member is free to suggest the inclusion of items on the agenda, or at any Board meeting, raise subjects that are not on the agenda for that meeting. The CEO will consult periodically with the Chairman and the Lead Director regarding the adequacy of meeting agendas.

8. **Board and Committee Materials**

Directors will receive information and data that is important to their understanding of the business, in writing, and in sufficient time to prepare for each meeting. This material will be as brief as possible while still providing the desired information; it will be analytic as well as informational; and it will include highlights and summaries whenever appropriate.

9. **Executive Sessions**

The Independent Directors will meet in regularly scheduled executive sessions without the presence of management Directors or executive officers of the Company (except to the extent such individuals have been requested to attend by the Independent Directors). Such regularly scheduled sessions shall be held no less than twice a year and at such times as may be determined by the Chairman (if an Independent Director), the Lead Director or by a majority of the Independent Directors.

10. **Board Access to Senior Management and Independent Advisors**

The Board (meeting as a whole, the Independent Directors meeting separately and each Director individually) and each Committee will have complete access to the Company's management and independent advisors. If the Board in its sole discretion deems it appropriate, it may retain special legal, accounting and other consultants or experts under such terms and with the payment of such fees, as the Board in its sole discretion determines, for the purpose of conducting any investigation or otherwise assisting the Board in fulfilling its responsibilities. The Board encourages the attendance at Board meetings by executive officers and non-executive managers who: (a) can provide additional insight into the items being discussed; or (b) in the case of non-executive managers, are individuals with future potential that senior management of the Company believes should be given exposure to the Board.

BOARD COMMITTEES

11. **Standing, Ex Officio and Other Committees**

Standing Committees will be appointed by the Board from among the Independent Directors to facilitate and assist in the execution of the Board's responsibilities. Generally, Standing Committees will address, but not be limited to, those matters which are customarily addressed by similar committees in other similarly situated well-managed business concerns and frequently will deal with issues which, because of their complexity, technical nature, level of detail, time requirements and/or sensitivity, cannot be adequately addressed within the normal agenda for Board meetings. There are four Standing Committees, each of which will consist of at least three Independent Directors:

- Governance & Nominating Committee
- Audit Committee
- Compensation & Personnel Committee
- Investment, Finance, and Financial Market Risk Committee

Each Standing Committee will have a written charter of responsibilities, duties and authorities which will be reviewed annually by each Standing Committee, the Governance and Nominating Committee and by the full Board.

The Ex Officio Committees are the Member Interests Committee and the Corporate Interests Committee. The Ex Officio Committees are activated when there is a transaction between PMHC and the Company or in a transaction where the interests of the two entities differ or are in conflict. The Committees' responsibilities are to consider the matter from either the viewpoint of the Members, in the case of the Member Interests Committee, or the Company in the case of the Corporate Interests Committee. There should be at least three members on each Ex Officio Committee. Those Directors of PMHC, who are not also directors of the Company, are members of the Member Interests Committee. Those Directors of the Company who are not also directors of PMHC are members of the Corporate Interests Committee. The Ex Officio Committees have the duties specified in their respective charters.

In addition, the Board may from time to time, appoint one or more additional Committees. Any additional Committees shall be subject to the guidelines and procedures set forth herein. Committees shall not delegate authority to subcommittees without Board approval.

12. Standing Committee Membership

The Governance and Nominating Committee, after consultation with the Chairman and Chief Executive Officer and with consideration of the preferences of individual Board members and input from the Committee Chairs, will recommend to the Board the assignment of Committee Chairs and Committee Members to the various Standing Committees.

13. Meeting Procedures

Each Standing Committee shall meet at least four times annually. Ex Officio Committees will meet as needed. Each Standing Committee Chair in consultation with members of such committee and the Chairman and Chief Executive Officer will schedule the frequency and length of meetings appropriate and necessary to carry out the responsibilities of such committee. All meetings and other actions by the Committees shall be held or otherwise taken pursuant to the Company's bylaws, including bylaw provisions governing notices of meetings, waivers thereof, the number of members required to take action at meetings or by written consent, and other related matters. Committee meetings may be called by the Chairman of the Committee or by the Chairman of the Board.

Any Director who is not a member of a particular Committee may attend any Committee meeting with prior notice to the Committee Chair.

14. Committee Reports

At each Board meeting, each Committee Chair or his or her delegate shall report the matters considered and acted upon by such Committee at each meeting or by written consent since the preceding Board meeting, except to the extent covered in a previous written report to the full Board, and shall be available to answer questions the other Directors may have regarding the matters considered and action taken by such Committee.

DIRECTOR SELECTION

15. Board Membership Criteria

The Governance and Nominating Committee is responsible for articulating the specific criteria for Board membership. The Governance and Nominating Committee will also be responsible for reviewing with the Board the appropriate skills and characteristics required of new Board members following an assessment of the needs of the Company in the context of the existing make-up of the Board.

16. **Selection of New Directors**

The Board places a high priority on the vitality and diversity of its Board and its processes. Therefore, the Board will add new members periodically in order to provide fresh ideas and viewpoints, as well as to strengthen the expertise and balance of the Board.

The Board will be responsible for selecting the nominees for members of the Board. The Board delegates the selection and initial screening process to the Governance and Nominating Committee with counsel from the Chairman and Chief Executive Officer. The nominees will stand for election at the annual meeting of members of PMHC and shareholders of Pacific LifeCorp.

The Board shall be responsible for determining the qualification of an individual to serve on the Audit Committee as a designated "audit committee financial expert." In light of this responsibility, the Board will coordinate closely with the Governance and Nominating Committee in screening any new candidate and in evaluating whether to re-nominate any existing director who may serve in this capacity.

The invitation to join the Board should be extended on behalf of the Board jointly by the Chair of the Governance and Nominating Committee and the Chairman.

17. **New Director Orientation and Continuing Education**

Each new Independent Director shall be given a thorough orientation to his or her duties as a Director, including:

- (a) a copy of these Guidelines;
- (b) background material with respect to the Company, its business and issues of particular significance to the Company, meetings with senior management and visits to Company facilities.

Each new Director and each new member of a Committee shall cooperate in following any additional guidelines that are recommended generally or on an ad hoc basis by the Governance and Nominating Committee to help assure that such Director has the necessary skills to perform his or her responsibilities as a director and/or new member of any Committee.

Each Director shall also cooperate in following all applicable continuing education guidelines established and periodically updated by the Governance and Nominating Committee.

18. **Continuation of Retired Employees on the Board**

Employee Directors, other than a former CEO, will not continue on the Board after termination or retirement from the Company. When the CEO resigns from that position, a concurrent resignation from the Board should be submitted. Whether the individual continues to serve on the Board is a matter for decision by the Board at the time.

19. **Retirement From the Board**

Directors will not continue on the Board after the annual meeting following attainment of the age 72, unless the Board determines that an exception is in the best interests of the Company and the members of PMHC to extend the director's service for additional specified periods of time.

20. **Continuation of Service**

There are no explicit term limits for Directors. However, the Governance and Nominating Committee will evaluate each Director's continued services on the Board in connection with each decision regarding whether such Director should be re-nominated to the Board and at such other times as may be appropriate in light of the particular circumstances. In connection with each decision regarding re-nominations, each Director should be given an opportunity to confirm his or her desire to continue as a member of the Board.

BOARD PERFORMANCE EVALUATION

21. **Review of Directors**

Annual Review

The Board and the Governance and Nominating Committee shall review and evaluate all relevant factors for continued Board membership of each Director, and when continuation may not be appropriate to so recommend to the Board. A review of each Director's continuation on the Board will be made by the Governance and Nominating Committee at the completion of that Director's three-year term of office.

Change in Status

Any Director who changes his or her employer or otherwise has a significant change in job responsibilities, or who accepts or intends to accept a directorship with another company that he or she did not hold when such Director was most recently elected to the Board, shall give written notice to the Board and the Governance and Nominating Committee, specifying the details. The Governance and Nominating Committee will review the continued appropriateness of such Director's membership on the Board and on each applicable Board Committee under the particular circumstances. If, as a result of that review, the Committee determines that the Director should not continue on the Board, the Committee will request a letter of resignation from the Director.

22. **Corporate Governance and Board Performance Review**

The Governance and Nominating Committee will annually review corporate governance issues in general. The Governance and Nominating Committee shall report annually to the Board regarding the Committee's assessment of the performance of the Board as a whole and make recommendations, if appropriate, to improve effectiveness of the Board.

MANAGEMENT EVALUATION AND SUCCESSION

23. Evaluation of the CEO

The Independent Directors will annually evaluate the performance of the CEO and approve the CEO's compensation. In that connection, the Board will review and approve the recommendations from the Compensation and Personnel Committee.

24. Succession Planning

The Board will annually review the report and recommendations of the Compensation and Personnel Committee on CEO and senior executive succession plans and management development for the senior officers.

AUDIT COMMITTEE CHARTER

(As approved March 8, 2012)

Purpose

The primary purpose of the Audit Committee is to assist the Board of Directors in fulfilling its responsibility for oversight of:

- Quality and acceptability of the financial statements,
- Compliance with legal and financial regulatory requirements,
- Independence, qualifications and performance of internal and independent auditors, and
- Internal controls.

Membership

All members of the Committee, each of whom shall be independent, will have a working familiarity with basic finance and accounting practices, and at least one member of the Committee will have accounting or related financial management expertise and be qualified under the definition of an audit committee financial expert, as set forth in Item 407(d)(5)(ii) and (iii) of Regulation S-K, attached hereto as ***Appendix A***.

Duties

The Committee's duties include:

Accounting, Financial Reporting, and Internal Control

- Review and discuss with management and the independent auditors the:
 - PMHC and PLC annual audited and PLC quarterly unaudited GAAP financial statements, prior to release. Additionally recommend to the Board of Directors inclusion of the audited financial statements in the Annual Report.
 - Annual audited statutory financial statements and required auditor communications associated with any insurance company that is a direct or indirect subsidiary of PMHC or PLC to the extent required by applicable statute. In addition, to the extent that any insurance company that is a direct or indirect subsidiary of PMHC or PLC is required by applicable statute to have a standing audit committee, the Committee shall serve as the audit committee of such entity for purposes of such statute.
 - Significant financial reporting issues and judgments made in connection with the preparation of the financial statements including any significant changes in the selection or application of accounting principles.
 - Major issues regarding accounting principles and financial statement presentation.

- Effect of regulatory and accounting initiatives on the financial statements, including the appropriateness of using off-balance-sheet structures and the financial reporting thereof.
- Major issues as to the adequacy and effectiveness of internal controls, including any significant deficiencies or material weaknesses in the design or operation of, and any material changes in, internal controls and any special steps adopted in light of any material control deficiencies, and any fraud involving management or other employees with a significant role in such internal controls.
- Review and discuss with management:
 - Key issues as they relate to rating agencies or creditors including financial projections and the basis for such projections.
 - The officers' quarterly and annual financial certifications to the Board of Directors.
- Establish procedures for receipt, retention and investigation of complaints relating to financial reporting, accounting, internal accounting controls or auditing matters and the confidential anonymous submission by employees of concerns regarding questionable accounting or auditing matters and, discuss with management complaints received and action taken.

Independent Auditor

The Committee will:

- Have the sole responsibility to appoint, compensate and replace the independent auditors.
- Evaluate the independent auditors' qualifications, performance and independence and enforce a mandatory rotation of the lead audit partner every five years.
- Discuss (a) all critical accounting policies and practices, (b) all alternative treatments of financial information that have been discussed with management, ramifications of the use of such alternative disclosures and treatments, and the treatment preferred by the independent auditor, and (c) other material written communications between the independent auditor and management, including, but not limited to, the management letter and schedule of unadjusted differences.
- Obtain and review, at least annually, a report by the independent auditor describing (a) the firm's internal quality control procedures, (b) any material issues raised by the most recent internal quality control review, or by any inquiry or investigation by governmental or professional authorities, within the preceding five years, respecting one or more of the firm's audits, and any steps taken to deal with any such issues, and (c) all relationships between the independent auditor and the Company.
- Pre-approve all fees and **audit and permitted non-audit** services that may be provided by the independent auditors; this duty may be delegated to one or more designated members of the Committee with any such approval reported to the Committee at its next meeting.
- Review any audit problems or difficulties and management's responses.

- Set clear hiring policies for employees or former employees of the independent auditor.

Internal Audit

- Oversee the internal audit function including review of the internal audit charter, the organization, responsibilities, plans and results.
- Approve annually the appointment and retention of the Senior Internal Audit Executive.

Legal, Compliance and Risk Management

- Review legal and compliance matters, which have a significant impact on financial operations or financial reporting.
- Discuss overall policies with respect to risk assessment and risk management.
- Oversee the following specific risks facing the organization, including discussions with management regarding risk assessment, response, measurement and monitoring:
 - Insurance Risks – reserving, reinsurance and related assumptions.
 - Capital/Operational Risks – fraud, tax, financial reporting (including reasonableness of management assumptions), business continuity, information security, and regulatory compliance (as pertains to the Company's financial operations or financial reporting).

Other

- Perform an annual evaluation of the Committee, including a review of the Charter and recommend any proposed changes to the Governance and Nominating Committee.
- Meet on a periodic basis with management, internal auditors and independent auditors in separate executive session.
- Discuss the status of regulatory financial examinations, financial reporting, taxation matters, insurance coverage and other areas as may be appropriate.
- If the Committee in its sole discretion deems it appropriate, retain special legal, accounting and other consultants or experts under such terms and with the payment of such fees, as the Committee in its sole discretion determines, for the purpose of conducting any investigation or otherwise assisting the Committee in fulfilling its responsibilities.

Appendix A

Item 407(d)(5)(ii) of Regulation S-K

An audit committee financial expert means a person who has the following attributes:

- (i) An understanding of generally accepted accounting principles and financial statements;
- (ii) The ability to assess the general application of such principles in connection with the accounting for estimates, accruals, and reserves;
- (iii) Experience preparing, auditing, analyzing, or evaluating financial statements that present a breadth and level of complexity of accounting issues that are generally comparable to the breadth and complexity of issues that can reasonably be expected to be raised by the registrant's financial statements, or experience actively supervising one or more persons engaged in such activities;
- (iv) An understanding of internal control over financial reporting; and
- (v) An understanding of audit committee functions.

Item 407(d)(5)(iii) of Regulation S-K

A person shall have acquired such attributes through:

- (i) Education and experience as a principal financial officer, principal accounting officer, controller, public accountant or auditor, or experience in one or more positions that involve the performance of similar functions;
- (ii) Experience actively supervising a principal financial officer, principal accounting officer, controller, public accountant, auditor, or person performing similar functions;
- (iii) Experience overseeing or assessing the performance of companies or public accountants with respect to the preparation, auditing, or evaluation of financial statements; or
- (iv) Other relevant experience.

GOVERNANCE AND NOMINATING COMMITTEE CHARTER

(As approved March 4, 2010)

Purpose

The primary purpose of the Governance and Nominating Committee is to oversee the governance aspects of the activities of the full Board of Directors, with specific responsibilities to advise the Board with respect to:

- Board organization, membership and function;
- Committee structure, membership and operations;
- Compliance matters and programs including design, implementation and effectiveness;
- The Board's evaluation of performance; and
- Other matters relating to corporate governance.

Duties

The Committee's duties include:

Board of Directors

- Evaluate periodically and recommend to the Board, any changes as appropriate in the size and composition of the Board.
- Develop with the input of the Chairman and the CEO, and recommend to the Board, general and specific criteria for membership on the Board.
- Identify potential Director candidates who meet the Board approved criteria for membership on the Board.
- If the Committee in its sole discretion deems it appropriate, retain a search firm under such terms and with payment of such fees, as the Committee in their sole discretion determines, to assist in identifying Director candidates.
- Evaluate each new Director candidate and each incumbent Director before recommending that the Board nominate or re-nominate such individual for election or re-election as a Director based on the applicable criteria for Board membership and the overall composition and diversity of the Board.
- Evaluate and monitor performance of the Board based on general criteria and specific criteria, as appropriate.
- Develop and periodically evaluate initial orientation guidelines and continuing education guidelines for members of the Board and Committees.

Board Committees

- Evaluate at least annually, the performance, authority, operations and charter of each Committee and recommend any appropriate changes.
- Annually review Board Committee assignments and submit to the Board candidates for membership on each Board Committee and for the Chairman of each Committee.

Corporate Governance

- Develop and recommend to the Board, Board and Corporate Governance Guidelines and any changes therein.
- Monitor and make recommendations to the Board on other matters of Board policies and practices relating to corporate governance.

Compliance

- Monitor the overall compliance program of the Company including the content of the Company's Code of Business Conduct -- *It's My Responsibility* -- and review its implementation and effectiveness. The Committee will receive periodic reports from the Chief Compliance Officer as to its operation, including any waivers or exemptions granted, and, as appropriate, will meet in executive sessions with the Chief Compliance Officer.
- Approve annually the appointment and retention of the Chief Compliance Officer.

Other

- Perform an annual evaluation of the Committee, including a review of the Charter and recommend any proposed changes to the Board.

INVESTMENT, FINANCE, AND FINANCIAL MARKET RISK COMMITTEE
CHARTER

(As approved March 8, 2012)

Purpose

The primary purpose of the Investment, Finance and Financial Market Risk Committee is to review and make recommendations to the Board with respect to:

- Investment policy;
- Investment transactions;
- Financial market risk management; and
- Financings.

Duties

The specific duties of the Committee include the following:

- Reviewing and monitoring
 - Individual investment transactions of material corporate assets.
 - Asset portfolios to assure compliance with Investment Policies and Guidelines.
 - Internal control of derivatives and the derivative use process.
 - Procedures and parameters which management uses to assess Company financial market risks: primarily equity market risk, interest rate risk, and credit risk.
 - The Company's interest rate risk analysis and overall portfolio liquidity.
 - The Company's technical and administrative capabilities with respect to investments and financial market risk.
- Reviewing and approving
 - The Company's Investment Policies and Guidelines with such modifications as the Committee deems appropriate. Such Policies and Guidelines are to explicitly address: the general distribution of assets among the various classes of investments; quality and maturity parameters; and diversification factors and other elements designed to ensure a sound investment portfolio for the Company's business, liquidity, capital and surplus.
 - Appropriate exceptions to such Policies and Guidelines.
 - The Company's financial market risk appetite and tolerance, for recommendation to the Board.
 - Material financing transactions, acquisitions and divestitures.
- Other

- Perform an annual evaluation of the Committee, including a review of the Charter and recommend any proposed changes to the Governance and Nominating Committee.

COMPENSATION AND PERSONNEL COMMITTEE CHARTER

(As approved March 4, 2010)

Purpose

The primary purpose of the Compensation and Personnel Committee is to assist the Board of Directors in fulfilling its responsibility for oversight of compensation and personnel practices of PMHC, PLC and PLIC, in the following areas:

- Compensation philosophy and plan design;
- CEO and senior executive compensation;
- Director compensation;
- Executive succession and development; and
- Benefit plans

Duties

Specific duties of the Committee, which include reviewing and approving:

- Structure, principles and philosophy of compensation plans for directors, executives, and employees
- Changes to executive compensation plan design
- Material changes to compensation plans in response to regulatory changes
- Management Committee target and actual compensation and performance evaluation
- Measures and objectives which affect the level of payment under incentive and performance based plans
- Overall funds for annual merit increases, annual incentive payments, and long-term compensation for Vice Presidents and above
- Elements of executive non-cash compensation not within the approval authority of the CEO
- Policies and practices for executive development and succession
- Material changes to non-qualified and qualified benefit plan design
- Investment performance, liabilities, and level of participation, as applicable, in non-qualified and qualified benefit plans
- Benefit Plans Committee Guidelines and election of that Committee's members

Specific duties of the Committee, which include reviewing and recommending to the Board for approval:

- Corporate goals and objectives relevant to CEO compensation along with CEO target and actual compensation
- Evaluation of CEO's performance
- Management Committee succession plans
- Employment contracts
- Director compensation, including measures and goals for director long-term plans
- Election of individuals to Vice President or above

Other

- If the Committee in its sole discretion deems it appropriate, retain such consultants under such terms and with payment of such fees, as the Committee in their sole discretion determines, to assist in the evaluation of Director, CEO and senior executive compensation.
- Perform an annual evaluation of the Committee, including a review of the Charter and recommend any proposed changes to the Governance and Nominating Committee.

CORPORATE INTERESTS COMMITTEE

(As approved November 16, 2007)

Purpose

The primary purpose of the Corporate Interests Committee is to ratify or approve:

- Transactions between PMHC and PLC or PLIC, and
- Matters where the interests of PMHC and PLC or PLIC differ or are in conflict, particularly after the issuance of voting stock by PLC to other investors.

Membership

There shall be at least three members of the Corporate Interests Committee who shall be the independent directors of PLC but not members of the Board of Directors of PMHC.

Duties

The Committee's duties include:

- Review and consideration, with a view to ratifying or approving, if appropriate, of proposed transactions (i) between PMHC and PLC or PLIC, or (ii) where the interests of PMHC and PLC or PLIC differ or are in conflict. Such ratification or approval is intended to satisfy the requirement for approval by a committee of disinterested directors.
- If the Committee in its sole discretion deems it appropriate, retain special legal, accounting and other consultants or experts under such terms and with the payment of such fees, as the Committee in its sole discretion determines to assist the Committee in fulfilling its duties.

MEMBER INTERESTS COMMITTEE

(As approved November 16, 2007)

Purpose

The primary purpose of the Member Interests Committee is to ratify or approve:

- Transactions between PMHC and PLC or PLIC, and
- Matters where the interests of PMHC and PLC or PLIC differ or are in conflict, particularly after the issuance of voting stock by PLC to other investors.

Membership

There shall be at least three members of the Member Interests Committee who shall be the independent directors of PMHC but not members of the Board of Directors of PLC.

Duties

The duties of the Committee include:

- Review and consideration, with a view to ratifying or approving, if appropriate, proposed transactions (i) between PMHC and PLC or PLIC, or (ii) where the interests of PMHC and PLC or PLIC differ or are in conflict. Such ratification or approval is intended to satisfy the requirement for approval by a committee of disinterested directors.
- If the Committee in its sole discretion deems it appropriate, retain special legal, accounting and other consultants or experts under such terms and with the payment of such fees, as the Committee in its sole discretion determines to assist the Committee in fulfilling its duties.