

**TRIPLE-S MANAGEMENT CORPORATION**  
**CORPORATE GOVERNANCE GUIDELINES**

Adopted on October 16, 2007  
and amended on December 13, 2014, December 10, 2016, and March 7, 2017

The following Corporate Governance Guidelines have been adopted by the Board of Directors (the “Board”) of Triple-S Management Corporation (the “Company”) to assist the Board in the exercise of its responsibilities. These Corporate Governance Guidelines reflect the Board’s commitment to monitoring the effectiveness of policy and decision-making both at the Board and management level, with a view to enhancing long-term shareholder value. These Corporate Governance Guidelines are not intended to affect the **application** of, or interpret any, United States federal, state or Puerto Rico law or regulation and the listing standards of the New York Stock Exchange (the “NYSE”) or the Company’s Amended and Restated Articles of Incorporation (“Articles”) or Amended and Restated Bylaws (“Bylaws”). The Board may modify these Corporate Governance Guidelines from time to time to, among other things, reflect the evolution of applicable regulatory requirements and the Company’s corporate governance practices.

**COMPOSITION OF THE BOARD AND BOARD MEMBERSHIP CRITERIA; DIRECTOR QUALIFICATIONS**

The Corporate Governance and Nominating Committee shall recommend to the Board criteria for Board membership, which shall include the criteria set forth in these Corporate Governance Guidelines, and shall recommend individuals for membership on the Company’s Board of Directors taking into consideration the overall composition and diversity of the Board and areas of expertise that new Board members might be able to offer. In making its recommendations, the Corporate Governance and Nominating Committee shall:

- review candidates’ qualifications for membership on the Board (including making a specific determination as to the independence of the candidate) based on the criteria approved by the Board (and taking into account the enhanced independence, financial literacy and financial expertise standards that may be required under law or NYSE rules for audit committee and compensation committee membership purposes);
- evaluate current directors for re-nomination to the Board, and assess the performance of such director; and
- periodically review the size and composition of the Board in light of the current challenges and needs of the Board and the Company, and determine whether it may be appropriate to increase or reduce the size of the Board after considering issues of judgment, diversity, age, skills, background and experience.

Independence

A majority of the Board shall be comprised of directors meeting, at a minimum, the independence requirements of the NYSE. The Board shall make an affirmative determination at least annually as to the independence of each director.

## Diversity

It is the policy of the Board that its directors, as a group, should be representative of the community it serves and recognizes that the Company benefits from a broad diversity of director experience, thought, viewpoints and backgrounds. Directors will be strategically selected to possess competencies related to financial, legal, executive leadership, human resources, health care, insurance, and technology expertise, among others, ensuring a balanced oversight of the Company, without regard to race, religion, national origin, gender, sexual orientation, or physical disability.

As openings occur, the Corporate Governance and Nominating Committee will review the current composition of the Board and make every effort to nominate new directors that will enhance the Board's diversity.

## Simultaneous Service on Other Public Company Boards

The number of other public company boards on which a director may serve shall be subject to a case-by-case review by the Corporate Governance and Nominating Committee, in order to ensure that each director is able to devote sufficient time to perform his or her duties as a director.

It is the policy of the Board that every director must notify the Board prior to accepting any invitation to serve on another public company board. The Corporate Governance and Nominating Committee shall evaluate the continued appropriateness of Board membership under the new circumstances and make a recommendation to the Board as to any action to be taken with respect to continued Board membership.

No member of the Company's Audit Committee may serve on more than three public companies audit committees (including the Company's Audit Committee) without specific approval of the Board. Service in any other company audit committee must not impair the ability of such director to effectively serve on the Company's Audit Committee.

## Changes in Primary Employment

It is the policy of the Board that every director, including the CEO and any other inside director, must notify the Board of his or her retirement, any change in employer and any other significant change in professional roles and responsibilities. When a director's principal occupation or business association changes substantially from the position such director held when originally invited to join the Board, the director shall submit to the Chair of the Corporate Governance and Nominating Committee an offer to resign. The Corporate Governance and Nominating Committee shall evaluate the continued appropriateness of Board membership under the new circumstances and make a recommendation to the Board with respect to such offer.

## Conflicts of Interest

Directors are expected to avoid any action, position or interest that conflicts with an interest of the Company, or gives the appearance of a conflict. If an actual or potential conflict of interest

develops because of a change in the business of the Company, or in a director's circumstances (for example, significant and ongoing competition between the Company and a business with which the director is affiliated), the director should report the matter immediately to the Board and the Corporate Governance and Nominating Committee for evaluation and appropriate resolution.

If a director has a personal interest in a matter before the Board, the director shall disclose the interest to the full Board, shall recuse himself or herself from participation in the discussion, and shall not vote on the matter.

## **EVALUATION OF INDIVIDUAL DIRECTOR PERFORMANCE**

It is the Board's policy to have the Corporate Governance and Nominating Committee assess, on the basis of established criteria, the performance of each individual director standing for re-election at the next shareholders' meeting. The established criteria address each director's core competencies, independence and level of commitment.

The Corporate Governance and Nominating Committee shall consider not only an individual's qualities, performance and professional responsibilities, but also the existing composition of the Board and the challenges and needs of the Board at that time. Upon completion of the individual director evaluation process, the Committee shall report to the full Board its conclusions and recommendations for nominations to the Board.

It is the policy of the Board that the Corporate Governance and Nominating Committee also should review and consider the performance of any individual director if a situation were to arise that interfered with the proper performance of his or her duties as a member of the Board.

## **DIRECTOR RESPONSIBILITIES**

The Board acts as the ultimate decision-making body of the Company and advises and oversees management, who are responsible for the day-to-day operations and management of the Company. In fulfilling this role, each director must act in what he or she reasonably believes to be in the best interests of the Company and must exercise his or her business judgment.

### Participation at and Preparation for Board Meetings

The Company expects directors to be active and engaged in discharging their duties and to keep themselves informed about the business and operations of the Company. Directors are encouraged to attend the Company's Annual Meeting of Shareholders, all Board meetings and the meetings of the committees on which they serve and to prepare themselves for these meetings.

In order for the Board to exercise fully its oversight functions, management provides the Board with access to information regarding the Company and the markets in which the Company operates. This information comes from a variety of sources, including management reports, security analysts' reports, information regarding peer performance, interaction with senior management at Board meetings and visits to Company facilities. Any written materials that assist directors in preparing for a Board or committee meeting shall be distributed to the directors in

advance of the meeting, to the extent possible, and directors are expected to review such materials prior to the meeting.

### Company Performance and Corporate Strategy

The Board reviews the Company's financial performance on a regular basis at Board meetings and through periodic updates, with a particular focus on peer and competitive comparisons.

The Board also oversees the Company's strategic planning process and enterprise risk management program, and may conduct an annual off-site meeting to review and approve the Company's long-term strategy, and assess its strategic, competitive and financial performance, on both an absolute basis and in relation to the performance, practices and policies of its peers and competitors.

### **BOARD AGENDA**

The Chair of the Board, in conjunction with the CEO, shall determine the frequency and length of Board meetings and shall set the agenda for each Board meeting. Board members are encouraged to suggest the inclusion of additional items on an agenda, and any director may request that an item be placed on an agenda.

### **LEAD DIRECTOR**

The Board notes that all directors are elected by the shareholders and all have an equal voice. The Chair of the Board and the CEO are free, as is the Board as a whole, to call upon any one or more directors to provide leadership in a given situation should a special need arise. However, when the positions of Chair of the Board and CEO are filled by the same person or when the Chair of the Board is not an independent director, a Lead Independent Director shall be appointed by the majority of the independent directors of the Board. The Lead Independent Director shall have the following responsibilities, together with such others as the Board might specify from time to time:

- preside over all meetings of the Board at which the Chair of the Board is not present;
- serve as the liaison between the independent directors and the Chair of the Board and the CEO;
- preside over executive sessions of the independent directors; and
- call meetings of the independent directors.

### **MEETINGS OF NON-MANAGEMENT DIRECTORS**

The Company's non-management directors shall regularly schedule executive sessions in which management does not participate. If this group includes directors who do not meet the independence standards of the NYSE, the directors who are independent shall also meet by themselves in executive session at least once a year.

## **BOARD COMMITTEES**

The Board shall have at all times an Audit Committee, a Compensation and Talent Development Committee, and a Corporate Governance and Nominating Committee. Subject to any changes that the Board may make from time to time:

- the Audit Committee shall generally be responsible for overseeing the integrity of the Company's financial statements, its independent auditor, its internal audit function and compliance by the Company with legal and regulatory requirements;
- the Compensation and Talent Development Committee shall generally be responsible for overseeing the Company's compensation and benefits policies, director compensation; (ii) evaluating CEO performance and compensation; and (iii) reviewing the Company's management succession plan.
- the Corporate Governance and Nominating Committee shall generally be responsible for: (i) identifying qualified Board candidates and recommending director nominees; (ii) evaluating Board performance; and (iii) overseeing the Company's Corporate Governance Guidelines and Code of Business Conduct and Ethics.

Each of the Audit Committee, Compensation and Talent Development Committee, and Corporate Governance Nominating Committee shall operate pursuant to its own written charter. These charters shall, among other things, set forth the purpose, goals and responsibilities of the particular committee, the procedures for committee member appointment and removal and committee structure and operations, as well as reporting to the Board. The charters shall also provide for an annual evaluation of each committee's performance.

The Chair of each committee, in consultation with the committee members, shall determine the frequency and length of the committee meetings consistent with any requirements of the committee's charter meetings and shall set the agenda for each committee meeting.

Except as provided below, only independent directors meeting the independence requirements of the NYSE and, for audit committee members, Rule 10A-3 of the Securities Exchange Act of 1934 and any related rules promulgated by the Securities and Exchange Commission may serve on the Audit, Compensation and Talent Development, and Corporate Governance and Nominating committees. Committee members shall be appointed by the Board.

The Board may, from time to time, establish or maintain additional committees as it deems appropriate and in the best interests of the Company.

While the rotation of committee members at certain set intervals should be considered periodically, rotation is not required because the Board believes there are significant benefits attributable to continuity and experience gained in service on a particular committee over time.

## **BOARD MEMBER ACCESS TO MANAGEMENT AND INDEPENDENT ADVISORS**

Board members shall have access to the management and employees of the Company and to its outside counsel and auditors. Any meetings or contacts that a director wishes to initiate may be arranged through the CEO or the Secretary or directly by the director in appropriate circumstances.

Executive officers and other members of senior management are expected to be present at Board meetings at the invitation of the Board. The Board encourages senior management to make presentations and to invite to Board meetings managers and other employees who can provide additional insight into the items being discussed. The Board also encourages senior management to include in Board meetings individuals that the senior management believes may become prospective leaders of the Company.

The Board and each of its committees is authorized to hire independent legal, financial or other advisors as they may consider necessary, without conferring with or obtaining the approval of management or, in the case of committees, the full Board.

## **DIRECTOR COMPENSATION**

The Compensation and Talent Development Committee shall review compensation (including stock option grants and other equity-based compensation) for the Company's directors and presents it to the Board of Directors for approval. In so reviewing and approving director compensation, the Committee shall, among other things:

- identify corporate goals and objectives relevant to director compensation;
- evaluate the performance of the Board in light of such goals and objectives and set director compensation based on such evaluation and such other factors as the Committee deems appropriate and in the best interests of the Company (including the cost to the Company of such compensation);
- determine any long-term incentive component of director compensation based on the awards given to directors in past years, the Company's performance, shareholder return and the value of similar incentive awards relative to such targets at comparable companies and such other factors as the Committee deems appropriate and in the best interests of the Company (including the cost to the Company of such compensation); and
- evaluate the possibility that directors' independence may be compromised or impaired for Board or committee purposes if director compensation exceeds customary levels, if the Company makes substantial charitable contributions to an organization with which a director is affiliated or if the Company enters into consulting contracts with (or provides other indirect forms of compensation to) a director (which consulting contracts or other indirect forms of compensation are expressly prohibited for Audit Committee members).

### Contributions to Tax Exempt Organizations

Proposed contributions or pledges of contributions to tax exempt organizations, by the Company within any given fiscal year to an entity for which a director or a member of his or

her immediate family serves as a director, officer, employee or member of such entity's fund-raising organization or committee, shall be subject to prior review and approval in accordance with company internal procedures.

## **DIRECTOR ORIENTATION AND CONTINUING EDUCATION**

All new members of the Board and new members of committees are encouraged to participate in the Company's orientation program for directors. Other directors may also attend the orientation program.

All directors will be offered the opportunity, and are encouraged, to participate in continuing education programs in order to stay current and knowledgeable about the business of the Company.

Orientation and continuing education programs shall be developed and overseen by the Corporate Governance and Nominating Committee of the Board. These programs may include presentations by senior management on the Company's strategic plans, its significant issues, its compliance programs, its Code of Business Conduct and Ethics, its management structure and executive officers and its internal and independent auditors.

## **MANAGEMENT EVALUATION AND MANAGEMENT SUCCESSION**

The Compensation and Talent Development Committee shall evaluate the performance of the CEO and oversee the performance evaluation of other senior management of the Company and shall present its findings to the full Board. The Board shall review the Compensation Committee's report in order to ensure that management's performance is satisfactory and that management is providing the best leadership for the Company in the long and short term.

The Corporate Governance and Nominating Committee shall review and report to the Board on the Company's succession planning, including succession planning in the case of the incapacitation, retirement or removal of the CEO. The CEO and the Corporate Governance and Nominating Committee shall annually review the Company's succession plans and report on them to the Board of Directors.

## **ANNUAL PERFORMANCE EVALUATION**

The Board, led by the Corporate Governance and Nominating Committee, shall establish and conduct an annual self-evaluation to determine whether it and its committees are functioning effectively, with performance criteria for each committee established on the basis of its charter. The Corporate Governance and Nominating Committee shall oversee the evaluation with each director completing a questionnaire developed by the Corporate Governance and Nominating Committee with respect to various criteria. The collective evaluations shall be compiled in advance of the review session and shall be presented by the Chair of the Corporate Governance and Nominating Committee to the full Board for discussion. This process shall also include annual self-assessments by each Board committee, relying on a review process similar to that used by the Board.

## **CODE OF BUSINESS CONDUCT AND ETHICS**

The Company has adopted a Code of Business Conduct and Ethics, and other internal policies and guidelines designed to support the Company's commitment to integrity, ethical behavior and professionalism and to comply with the laws, rules and regulations that govern the Company's business operations. The Code of Business Conduct and Ethics applies to all employees of the Company and its subsidiaries, as well as to agents, officers, and directors and other independent contractors and consultants when engaged by or otherwise representing the Company and its interests. The Audit Committee shall monitor compliance with the Code of Business Conduct and Ethics and other internal policies and guidelines.