
Section 1: 8-K (8-K)

UNITED STATES SECURITIES AND EXCHANGE COMMISSION
WASHINGTON, D.C. 20549

FORM 8-K

CURRENT REPORT

PURSUANT TO SECTION 13 OR 15 (d) OF THE
SECURITIES EXCHANGE ACT OF 1934

Date of report (Date of earliest event reported): December 19, 2018

TRIPLE-S MANAGEMENT CORPORATION

(Exact Name of Registrant as Specified in Charter)

Puerto Rico
(State or Other Jurisdiction of Incorporation)

001-33865
(Commission File Number)

66-0555678
(IRS Employer Identification No.)

Registrant's telephone number, including area code: 787-749-4949

1441 F.D. Roosevelt Avenue, San Juan, Puerto Rico 00920
(Address of Principal Executive Offices and Zip Code)

Not Applicable
(Former Name or Former Address, if Changed Since Last Report)

Check the appropriate box below if the Form 8-K filing is intended to simultaneously satisfy the filing obligation of the registrant under any of the following provisions:

- Written communications pursuant to Rule 425 under the Securities Act (17 CFR 230.425)
- Soliciting material pursuant to Rule 14a-12 under the Exchange Act (17 CFR 240.14a-12)
- Pre-commencement communications pursuant to Rule 14d-2(b) under the Exchange Act (17 CFR 240.14d-2(b))
- Pre-commencement communications pursuant to Rule 13e-4(c) under the Exchange Act (17 CFR 240.13e-4(c))

Indicate by check mark whether the registrant is an emerging growth company as defined in Rule 405 of the Securities Act of 1933 (17 CFR §230.405) or Rule 12b-2 of the Securities Exchange Act of 1934 (17 CFR §240.12b-2).

Emerging growth company

If an emerging growth company, indicate by check mark if the registrant has elected not to use the extended transition period for complying with any new or revised financial accounting standards provided pursuant to Section 13(a) of the Exchange Act.

Item 5.02 Departure of Directors or Certain Officers; Election of Directors; Appointment of Certain Officers; Compensatory Arrangements of Certain Officers.

(e) On December 19, 2018, Triple-S Management Corporation (the “Company”) entered into an amended employment agreement (the “Agreement”) with Mr. Roberto García-Rodríguez in connection with his employment as President and Chief Executive Officer of the Company. The Agreement applies to Mr. García-Rodríguez’s employment from January 1, 2019 to December 31, 2021 and is not subject to automatic extension.

Pursuant to the terms of the Agreement and commencing on January 1, 2019, Mr. García-Rodríguez will receive a minimum base annual salary of \$825,000. The Board of Directors of the Company (the “Board”) may increase Mr. García-Rodríguez base annual salary in subsequent years under the Agreement pursuant to the Board’s compensation policy. In addition, Mr. García-Rodríguez will be eligible to receive a performance bonus for each fiscal year, which will be based on metrics established by the Board and computed pursuant to the Board’s compensation policy. The Board may also provide, in its discretion, other types of short or long-term incentive compensation to Mr. García-Rodríguez. Under the Company’s compensation program, Mr. García-Rodríguez is also entitled to receive an annual non-performance based bonus required by Puerto Rico law and participate in a 401-K retirement savings plan, deferred compensation or other plans, and any other benefits and privileges on the same basis as generally provided to other executives of the Company. Mr. García-Rodríguez is also entitled to receive certain perquisites such as reimbursement of business related expenses.

If as a result of a change of control (as defined in the Agreement) of the Company, Mr. García-Rodríguez resigns for good reason (as defined in the Agreement) or is terminated without cause, he will be entitled to receive: (i) an amount equal to two times the sum of (a) the highest base annual salary paid by the Company to Mr. García-Rodríguez during the three years preceding the change of control and (b) the average performance bonus paid by the Company to Mr. García-Rodríguez for the preceding three years; and (ii) certain perquisites and fringe benefits (the “Fringe Benefits”) for twenty-four months.

If Mr. García-Rodríguez’ employment is terminated by the Company without cause, he will be entitled to receive: (i) a severance payment equal to the greater of (a) an amount equal to the base annual salary otherwise payable to him until the expiration of the Agreement and (b) the base annual salary for one year; and (ii) the continuation of the Fringe Benefits until the expiration of the Agreement or for a term of one year, whichever is longer. If the Company does not renew Mr. García-Rodríguez’s employment after the expiration of the Agreement, Mr. García-Rodríguez will be entitled to receive (i) his base annual salary for one year; and (ii) the Fringe Benefits for one year. In addition, if the Company terminates Mr. García-Rodríguez without cause or fails to renew his employment after the expiration of the Agreement and upon Mr. García-Rodríguez’s compliance with certain conditions, all of Mr. García-Rodríguez’ rights, equity and other awards under the 401-K benefit plan and the Company’s incentive plan will become fully and immediately vested and exercisable and shall be forthwith delivered to Mr. García-Rodríguez.

Mr. García-Rodríguez has agreed to maintain in strictest confidence and not to use in any way, publish, disclose or authorize anyone else to use in any way, publish or disclose any confidential information relating in any manner to the business or affairs of the Company and its affiliates. Mr. García-Rodríguez and the Company will be subject to a mutual non-disparagement covenant following the termination of Mr. García-Rodríguez employment with the Company.

The description of the Agreement is qualified in its entirety by reference to the text of the Agreement, which is filed with this Current Report on Form 8-K as Exhibit 10.1 and incorporated by reference into this Item 5.02.

(e) On December 19, 2018, the Company entered into a Non-Compete and Non-Solicitation Agreement (the “Non-Compete Agreement”) with Mr. García-Rodríguez in connection with his employment as President and Chief Executive Officer of the Company. The Non-Compete Agreement applies to Mr. García-Rodríguez during his Employment (as defined in the Non-Compete Agreement) and for a period of twelve months following the termination of his employment with the Company.

Pursuant to the terms of the Non-Compete Agreement, Mr. García-Rodríguez may not directly or indirectly Engage (as defined in the Non-Compete Agreement) in any Similar Business (as defined in the Non-Compete Agreement) services or activities where the Company is Engaged in Business (as defined in the Non-Compete Agreement) in Puerto Rico or any other country. In addition, Mr. García-Rodríguez may not, for a period of twelve months following the termination of his employment with the Company, (i) induce or attempt to induce any employee of the Company or any of its affiliates or subsidiaries to leave the employ or services of the Company or in any way interfere with the relationship between the Company and the employee or (ii) hire any person who was an employee of the Company or any of its affiliates or subsidiaries at any time during the twelve-month period immediately prior to the date on which such hiring would take place. Mr. García-Rodríguez and the Company will be subject to a mutual non-disparagement covenant following the termination of Mr. García-Rodríguez employment with the Company.

During his Employment, and for twelve months following the termination of his employment for any reason, Mr. García-Rodríguez must, before accepting any employment with any person or entity engaged in a Similar Business, disclose to the Company the identity of such person or entity and provide a full description of the duties involved in such prospective employment.

The description of the Non-Compete Agreement is qualified in its entirety by reference to the text of the Non-Compete Agreement, which is filed with this Current Report on Form 8-K as Exhibit 10.2 and incorporated by reference into this Item 5.02.

Item 9.01 Financial Statements and Exhibits.

(d) Exhibits:

[10.1](#) – Amended Employment Contract, dated December 19, 2018, by and between Triple-S Management and Roberto García Rodríguez.

[10.2](#) – Non-Compete and Non-Solicitation Agreement, dated December 19, 2018, by and between Triple-S Management and Roberto García Rodríguez.

SIGNATURES

Pursuant to the requirements of the Securities Exchange Act of 1934, the registrant has duly caused this report to be signed on its behalf by the undersigned hereunto duly authorized.

TRIPLE-S MANAGEMENT CORPORATION

Date: December 26, 2018

By: /s/ Roberto García Rodríguez

Name: Roberto García Rodríguez

Title: President and Chief Executive Officer

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Section 2: EX-10.1 (EXHIBIT 10.1)

Exhibit 10.1

AMENDED EMPLOYMENT CONTRACT

In the City of San Juan, Puerto Rico, December 19, 2018.

APPEAR

AS THE FIRST PARTY: **Triple-S Management Corporation**, a corporation organized and doing business under the laws of the Commonwealth of Puerto Rico, represented herein by Luis A. Clavell Rodríguez, of legal age, married, resident of Guaynabo, Puerto Rico, and Chairman of the Board of Directors, with authority from the Board to execute this Contract.

AS THE SECOND PARTY: **Roberto García Rodríguez**, of legal age, married, executive and resident of Guaynabo, Puerto Rico.

The appearing parties have the legal capacity to execute this Contract and to such effect, they freely and voluntarily

STATE

FIRST: That to abbreviate and facilitate the understanding and analysis of this Contract, the terms below will have the meaning set forth in the following definitions:

- a. "STDB" — shall mean the Short-Term Discretionary Bonus, as specified in Article 9(b) of this Contract.
 - b. "Base Salary" — shall mean that provided in Article 9(a) of this Contract.
 - c. "Board" — shall mean the Board of Directors of Triple-S Management Corporation.
 - d. "Business" — shall include, but is not limited to: (i) the offering and sale of managed care services and related products in the Commercial, Medicaid and Medicare markets; (ii) the offering and sale of health, life, accident, disability, property and casualty insurance; (iii) providing administration services only or self-insured ("ASO") managed care services; (iv) providing hospitals, care centers, physicians, clinics, home health care and affiliated services, among other services provided by the Company.
 - e. "Cause" — shall mean that the CEO shall have incurred in any of the acts or conduct described in Article 16 of this Contract.
 - f. "CEO" — shall mean the Chief Executive Officer and President of Triple-S Management Corporation, Roberto García Rodríguez.
 - g. "Change of Control" — shall have the meaning ascribed to such term in Article 23(c) of this Contract.
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- h. "Compensation Policy" — shall mean the Executive Compensation Philosophy approved by the Board of Directors of TSM on February 20, 2007, as may be amended from time to time.
- i. "Confidential Information" — shall have the meaning ascribed to such term in Article 17 of this Contract.
- j. "Contract" — shall mean this Employment Contract.
- k. "Corporate Board Services" — shall mean being a member of a Board of Directors of any company outside or not related to TSM.
- l. "Fringe Benefits" — shall mean those fringe benefits provided pursuant to the standards and policies of TSM generally applicable to its executives, as may be modified from time to time by the Board of Directors, which are referred to in Article 12 of this Contract and identified in Exhibit A to this Contract as "Fringe Benefits."
- m. "Good Reason" — shall have the meaning ascribed to such term in Article 23(d) of this Contract.
- n. "LTIC" — shall have the meaning ascribed to such term in Article 9(c) of this Contract.
- o. "LTIP" — shall mean the Triple-S Management Corporation 2017 Incentive Plan or any successor plan that the Board may adopt for the granting of long-term incentives to TSM executives.
- p. "Other Benefits" — shall mean those benefits, other than the Fringe Benefits, provided by the standards and policies of TSM generally applicable to its executives, as may be modified from time to time.
- q. "Other Incentive Compensation" — shall have the meaning ascribed to such term in Article 9(d) of this Contract.
- r. "Subsidiary Corporations" — shall mean the subsidiary corporations of TSM.
- s. "Triple-S Management Corporation" or "TSM" — shall mean Triple-S Management Corporation, including all direct and indirect subsidiaries and affiliated entities.
- t. "Total Compensation" — shall have the meaning ascribed to such term in Article 23(b) of this Contract.
- u. "Without Cause" — shall mean a termination of employment of the CEO for a cause other than that regarded as "Cause" under Article 16 of this Contract.

SECOND: That TSM is a holding company of entities engaged in the Business, with its principal office located in the Commonwealth of Puerto Rico.

THIRD: That the CEO is a professional with vast experience in business management who has a master's degree in business administration and a Juris Doctor degree. The CEO has knowledge of the insurance business and since 2008, has served in several capacities at TSM, including as Legal Counsel, COO, and as CEO since 2016.

FOURTH: That the parties hereto, intending to be legally bound hereby, in consideration of the premises and mutual covenants contained herein and for other good and valuable consideration, the receipt of which is hereby acknowledged, agree to enter into this Contract subject to the following Terms and Conditions:

GENERAL PROVISIONS

1. **Excellence in Performance.** By this Contract, the CEO agrees to devote full time attention and energies to the Business of TSM and the protection of the best interests of TSM.
2. **Official Title.** The CEO will hold the title of President and Chief Executive Officer of Triple-S Management Corporation.
3. **Hierarchy.** The CEO, in carrying out his duties under this Contract, shall report directly to the Board. The CEO will have the normal duties, responsibilities and authority implied by such position, subject to the power of the Board to expand or limit such duties, responsibilities and authority and as provided by the By-Laws of TSM.
4. **Standards and Fiduciary Duty.** The CEO will be obligated to (i) faithfully and fully comply with each of the guidelines, rules, regulations and administrative policies established by TSM and (ii) develop and implement the strategies, plans and business methods and the operational controls that are necessary for the successful administration, direction and protection of the best interests of TSM. The CEO will be loyal to TSM at all times and will recognize the fiduciary duty entailed by the acceptance of the employment.
5. **Consideration:** (i) CEO's continued employment with TSM; (ii) continued and new access to and receipt of TSM's confidential information and trade secrets related to TSM's business and its clients; and (iii) the compensation and benefits described below in the Specific Provisions section.

SPECIFIC PROVISIONS

6. **Principal Functions.** The functions that the CEO will perform under this Contract are those necessary and proper of the chief executive officer of a corporation of the size, complexity and nature of TSM and will be invariably for the protection of TSM and its best interests.
7. **Incidental Functions.** The CEO must also perform all those duties, functions, tasks and incidental assignments which the Board assigns to him from time to time.

8. Exclusive Service. The CEO will devote his reasonable efforts and full business time and attention to the Business and affairs of TSM. The CEO may serve on the boards of directors of purely philanthropic or civic organizations, or on the board of directors of one other company that is not competitive with the business of TSM, in each case only to the extent such service or participation does not interfere with his functions, duties, tasks and incidental assignments under this Agreement. The CEO may serve on the board of directors of additional companies that are not competitive with the business of TSM to the extent such service or participation does not interfere with his functions, duties, tasks and incidental assignments under this Agreement, and the Board has consented to such additional Corporate Board Service. In all cases, the CEO shall inform the Board of his Corporate Board Services.

9. Base Salary; Incentive Compensation. The CEO will be compensated for his services under this Contract as follows:

- a. **Base Salary.** An annual salary as set forth in Exhibit A of this Contract, as it may be modified from time to time pursuant to Article 11 of this Contract. The Base Salary will be payable in accordance with TSM's normal payroll practices, with such deductions and withholdings as are required by law.
- b. **Short-Term Discretionary Bonus (STDB).** An annual short-term bonus to be computed each year pursuant to the Compensation Policy. The determination of the STDB will remain at the sound discretion of the Board upon interpreting and applying said policy. If applicable, TSM will pay the CEO's short-term discretionary bonus no later than the second trimester of the payout year in accordance with the Corporation's policies.
- c. **Long-Term Incentive Compensation (LTIC).** A long-term incentive to be determined each year upon terms and conditions approved by the Board pursuant to the Compensation Policy and LTIP. The determination of the LTIC will remain at the sound discretion of the Board or Compensation Committee. If applicable, TSM will grant the CEO's long-term incentive compensation at the Compensation Committee's first regularly scheduled meeting which shall take place in the month of March or as determined by the Compensation Committee in accordance with the Corporation's policies.
- d. **Other Incentive Compensation.** The Board may, but is not obligated to, provide other types of short or long-term incentive compensation to the CEO. If any other incentive compensation is approved by the Board, said compensation shall be provided in accordance with the terms and conditions established by the Board.

10. Deferred Compensation. The CEO shall have the option, from time to time, to defer the payment of any of the compensation set forth in Article 9 above, as he wishes, provided such process complies with the applicable provisions of law and in accordance with a deferred compensation plan approved by the Board.

11. Annual Review of Compensation. The compensation of the CEO will be reviewed yearly pursuant to the Compensation Policy, provided that the Base Salary shall never be less than the amount agreed to in Exhibit A to this Contract.

12. Fringe Benefits; Other Benefits; Reimbursement of Expenses. The CEO will have the right to the Fringe Benefits and the Other Benefits. Additionally, TSM will reimburse and/or pay to the CEO the following items upon submission of documentation reasonably satisfactory to TSM of such expenses:

- a. business, travel and miscellaneous expenses that are reasonably incurred in the performance of his official functions;
- b. the membership fees of a private club; and
- c. any other related expenses which the Board deems necessary for the exercise of his functions.

13. Withholdings. TSM will withhold all amounts from the compensation of the CEO pursuant to law, such as social security and income tax.

14. Effectiveness and Expiration of the Contract. This Contract shall be effective as of January 1, 2019 and shall end on December 31, 2021, subject to earlier termination as provided in this Contract.

The parties may renew the Contract by written agreement which will be executed on or before its expiration date. The parties are not obligated to renew the Contract. If either party wishes to renew the Contract, it will notify the other party in writing at least ninety (90) days prior to the expiration of the Contract. If either party gives notice of its intention to renew but the other does not wish to renew the Contract, or if both parties notify their intention to renew but do not reach an agreement as to the terms of the renewed contract, the employment of the CEO will terminate and the Contract will expire on December 31, 2021, except for Articles 17, 19 and 20, which shall survive such expiration. Upon the occurrence of any of the events described above in this paragraph, TSM will pay the CEO the equivalent of one year's Base Salary in monthly installments and will extend the Fringe Benefits for one year, but only if the CEO was not the party notifying his interest not to renew the Contract.

If the negotiations for a new contract extend beyond the expiration date and the CEO continues performing his services to TSM, TSM will continue to pay the CEO in accordance with Articles 9 and 12 of this Contract until such date as a new contract is signed or either party notifies, in writing, its decision to discontinue the negotiations, at which time all further CEO compensation will cease, except that TSM will pay the CEO the equivalent of one year's Base Salary in monthly installments and will extend the Fringe Benefits for one year if the CEO is not the party that notifies its decision to discontinue the negotiations. The CEO and TSM hereby accept and acknowledge that the Contract will not be automatically renewed nor deemed to have been renewed because of the continuation of the negotiations beyond the expiration date.

Upon the expiration of this Contract or discontinuation of the negotiations described above, the CEO will also have the right to payment of the deferred compensation under Article 10, all vested amounts under the LTIP and 401-K benefit plan, and the compensation described in the second paragraph of Article 15 related to vesting of equity and other awards under the LTIP. All amounts payable and benefits provided pursuant to this Article other than vested amounts under the LTIP and deferred compensation shall only be payable after the CEO has executed, delivered to TSM and not revoked within any applicable revocation period, a waiver and general release of claims against TSM in a form satisfactory to TSM (a "Release").

15. Termination Without Cause. The parties agree that TSM has full rights to unilaterally terminate this Contract and the CEO's employment hereunder Without Cause at any time prior to its expiration date, provided that the terms of Articles 17, 19 and 20 shall continue in effect. In such event of termination, the only obligations of TSM under this Contract will be to:

- a. pay to the CEO the Base Salary up to the normal expiration date of this Contract, or the Base Salary of one year, whichever is greater, withholding from said payments those amounts pursuant to law. TSM shall have the option to make that payment in a lump sum or in monthly payments, which will not extend beyond the period remaining of the Contract or one year, whichever is greater;
- b. extend to the CEO the Fringe Benefits for the remainder of the term of this Contract or one year, whichever is longer;
- c. pay any deferred compensation under Article 10; and
- d. pay all amounts related to the CEO's rights under the LTIP (including the compensation described in the second paragraph of this Article 15 related to vesting of equity and other awards under the LTIP) and 401-K benefit plan.

In addition, as of the date of the CEO's termination Without Cause (i) all Options and SARs of the CEO shall become fully and immediately exercisable and (ii) all Restricted Stock and Restricted Stock Units shall become fully vested and non-forfeitable and forthwith be delivered to the CEO if not previously delivered, and (iii) the percentage of any Performance Awards that would have been earned at the end of any given Performance Period based on actual results in accordance with the corresponding Award Agreement had the CEO's employment not terminated shall vest pro-rata (i.e., based on a fraction, the numerator of which is the number of whole months elapsed from the beginning of the Performance Period to the date of the CEO's termination of employment, and the denominator of which is the number of months in the Performance Period). Delivery of any such Restricted Stock Units within fifteen (15) days following the date of the expiration of any revocation period contained in the Release (or such other period provided by law) and payment of the value of any Performance Award shall be made within two and one-half months after the end of calendar year during which such award becomes vested. For purposes of this Contract, the terms "Options," "SARs," "Restricted Stock," "Restricted Stock Units," "Performance Award," "Performance Period" and "Award Agreements" shall have the meanings given to them in the LTIP.

All amounts payable and benefits provided pursuant to this Article other than vested amounts under the LTIP and deferred compensation shall only be payable after the CEO has executed, delivered to TSM and not revoked within any applicable revocation period, the Release.

16. Termination with Cause. It will be understood that TSM shall have “Cause” for the termination of this Contract and the employment of the CEO hereunder, when the CEO incurs in any of the following:

- a. material breach of his obligations and duties as specified in this Contract;
- b. conviction or allegation of *nolo contendere* of any felony or the conviction or allegation of *nolo contendere* of a misdemeanor involving fraud, dishonest or disreputable conduct or moral turpitude;
- c. insubordination;
- d. material non-compliance of this Contract or the rules, regulations, guidelines, policies, or code of ethics of TSM;
- e. improper or disorderly conduct; or
- f. the existence of a conflict of interest not previously disclosed to the Board.

Should the termination of this Contract by TSM be for Cause, or should this Contract be terminated due to CEO’s resignation or death, the CEO will not have a right to further compensation, payment or any benefit under this Contract as of the date of the termination. Notwithstanding the above, the CEO will have the right to receive payment of the Base Salary earned up to the termination date; the liquidation of Other Benefits accumulated up to such date; the payment of the amount accumulated as deferred compensation pursuant to Article 10 of this Contract; and the payments regarding the vested rights under the LTIP (including, as applicable, the compensation described in the second paragraph of Article 15 related to vesting of equity and other awards under the LTIP) and 401-K benefit plan.

17. Confidentiality. The CEO recognizes that the knowledge of information concerning, or the relations with the employees, clients and agents of TSM and its Business that the CEO has acquired and acquires during his employment with TSM are valuable and exclusive assets of TSM. The CEO accepts that he will not use for his benefit or for the benefit of third parties, nor disclose, without the written consent of TSM, any information, data, documentation or material or substantial knowledge about TSM and its Business, its personnel or its plans, to any person, company, corporation, or other entity for any reason. The CEO accepts that all memoranda, notes, records and other documents, as well as information maintained electronically, generated or compiled by the CEO or which has been made available to the CEO about TSM’s Business, its employees and its clients are the exclusive property of TSM and will be returned by the CEO to TSM at the conclusion of his employment or at any other time at the request of TSM.

The CEO accepts that the services he renders and will render to TSM are of a special and unique nature and that consequently, he will have and has had access to confidential information about TSM’s Business and its clients. Hence, the CEO is aware that if he materially breaches any of the provisions of this Contract with regard to these confidentiality agreements and non-use of the confidential information, TSM may suffer irreparable damage, and, therefore, in addition to any other remedy which TSM may have under this Contract or the law, TSM will have the right to request an injunction restraining the CEO from breaching or continuing to breach the provisions of this Contract. The term “Confidential Information” includes, but is not limited to:

- a. The information described above;
- b. Proprietary information of TSM or its clients;
- c. Information marked or designated by TSM as confidential;
- d. Information, written or unwritten, and in any manner and regardless of not having been designated as confidential, which the CEO knows is treated as confidential by TSM; and
- e. Information provided to TSM by third parties that TSM is in the obligation of maintaining confidential, specifically including client lists and client information.

“Confidential Information” does not include any information which TSM discloses publicly, becomes public without the CEO’s fault, is public in nature or is collected routinely by companies like TSM.

The provisions of this Article 17 will survive and continue in effect after the expiration or earlier termination of this Contract for any reason.

18. Documents. At the termination of this Contract, the CEO agrees to return all the documents, objects, materials and other information obtained by him about the Business of TSM, recognizing, in turn, that said documents, objects, materials and related information constitute the exclusive property of TSM.

19. TSM Personnel; Non-disparagement. The CEO agrees not to solicit nor promote that the personnel of TSM and/or its Subsidiary Corporations end, voluntarily or involuntarily, their employment to join him or third parties in other efforts that are not for the benefit of TSM during the duration of this Contract and during twelve (12) months after the expiration or earlier termination of this Contract.

Following the employment period, the CEO shall not at any time make any public derogatory comment concerning TSM or anyone whom the CEO knows to be a current or former director, officer, stockholder or employee of TSM. Following the employment period, TSM shall not at any time make any public derogatory comment concerning the CEO. Notwithstanding the foregoing, nothing in this Article 19 shall prohibit any person from (i) responding publicly to incorrect, disparaging or derogatory public statements about TSM or the CEO relating to his employment with TSM, (y) providing truthful testimony in any judicial or administrative matter, or (z) making truthful statements required by law, by any regulatory authority or organization, or in connection with any public filing required by the U.S. Securities and Exchange Commission or any other regulatory authority.

20. Recoupment Policy. The CEO agrees that all payments or benefits under different provisions of this Contract are subject to TSM's Incentive Compensation Recoupment Policy, as such policy may be amended from time to time.

21. Dispute Resolution. Both parties agree to try to resolve in good faith any dispute arising under this Contract or related to its termination using the most cost-effective resources and will try to avoid any unnecessary costs. In addition, both parties shall make all good faith efforts to maintain all information regarding any dispute confidential.

22. Arbitration. If the parties are not able to resolve any dispute under this Agreement or related to its termination, for any reason, including alleged violations of the laws of Puerto Rico or of the United States of America which prohibit the discrimination in employment, these will be resolved by arbitration under the provisions of the Regulations of the American Arbitration Association, by an arbitrator selected according to said provisions. The process will be commenced by the filing of a petition for arbitration to said agency. The costs of the arbitrator's fees, and other expenses inherent to the proceeding, will be paid by TSM. Each party will cover its own legal costs and attorney's fees. The CEO and TSM specifically waive to process their claims in the courts of Puerto Rico or in the federal courts of the United States and will submit them to the arbitration proceeding agreed to herein. The parties agree that the decision of the arbitrator will be firm, final and unappealable.

23. Change of Control.

- a. If during the term of this Contract there occurs a "Change of Control" of TSM, as this term is defined in sub-paragraph "c" of this Article 23, and as a result thereof the CEO resigns for "Good Reason" (as such term is defined below) or is terminated from his employment Without Cause, the CEO will have the right to receive from TSM a compensation for termination in consideration for having remained as an employee of TSM and having failed to pursue other present or potential professional or business opportunities. Such compensation for termination will be a sum equivalent to twice the "Total Compensation" (as such term is defined below) of the CEO, payable on or before the thirtieth (30th) day following the date on which the CEO concludes his employment because of a Change of Control. TSM will also provide for the continuation of the Fringe Benefits then in effect during twenty-four (24) months. The Fringe Benefits shall not be payable in a lump sum and TSM's obligation to pay such Fringe Benefits will cease as soon as the CEO obtains employment with a comparable benefit. Such compensation for termination shall be in substitution of, and not in addition to, any compensation to which the CEO is entitled under Articles 14, 15 or 16, but will not substitute his rights to payment of the deferred compensation under Article 10 and all vested amounts under the LTIP (including the compensation described in the second paragraph of Article 15 related to vesting of equity and other awards under the LTIP) and the 401-K benefit plan.

- b. For purposes of this Article 23, the term “Total Compensation” means: (i) the highest Base Salary of the CEO paid to him in any of the three (3) years prior to the date of the Change of Control, in addition to the average of the STDB of the three (3) years prior to said date.
- c. A “Change of Control” will be understood to have occurred if:
- (i) any party acquires ownership of TWENTY-FIVE PERCENT (25%) or more of the total votes required for the election of the directors of TSM’s Board of Directors, or of such amount which, based on the cumulative vote, if this were allowed by the Articles of Incorporation and By-Laws of TSM, would permit such party to elect TWENTY-FIVE PERCENT (25%) or more of the directors of TSM;
 - (ii) as a result of, or in connection with, a tender offer or exchange offer of TSM stock, a consolidation, merger or other business combination, sale of assets or any combination of the aforementioned transactions, the persons who were directors of the Board prior to such transaction fail to constitute a majority of the board of directors of TSM or its successor;
 - (iii) there is a change of at least 30% of the directors of TSM’s Board of Directors as a result of a “proxy fight”, as such term is defined in Regulation 14A of the Securities Exchange Act of 1934, as amended; or
 - (iv) a sale or transfer of substantially all the assets of TSM to another corporation not affiliated to TSM occurs.

Notwithstanding the provisions of this Article 23, a Change of Control of TSM will not be deemed to have occurred in the event that TSM suffers a corporate reorganization which does not materially alter the composition of directors or the percentage of votes owned by the existing stockholders.

- d. “Good Reason” for purposes of this Article 23 shall mean:
- (i) a change in the nature or scope of the CEO’s duties or functions from those performed on the date immediately preceding the date of the Change of Control;
 - (ii) a reduction in the CEO’s Base Salary from that received on the date immediately preceding the date of the Change of Control;
 - (iii) a reduction in the CEO’s ability to participate in the compensation plans, such as bonus, stock options, incentives or other compensation plans, in which he participated on the date immediately preceding the Change of Control, which reduction will be determined in comparison to the opportunities that TSM provides to executives with comparable duties or the opportunities of participation that the CEO had under said plans on the date immediately preceding the date of the Change of Control;

- (iv) a change in the location of the CEO's principal place of employment of more than twenty-five miles from the place where the CEO maintained his work office on the date immediately preceding the date of the Change of Control; or
- (v) the reasonable determination by the Board to the effect that, because of the Change of Control and a change in the circumstances thereafter affecting the employment position of the CEO, the CEO is unable to exercise the authority, powers, functions or duties assigned to his position in TSM on the date immediately preceding the date of the Change of Control.

MISCELLANEOUS PROVISIONS

24. Interpretation of the Contract. This Contract is the result of the negotiations of the parties, so that no presumption or inference may be made in favor of either of them.

25. No waiver. The failure by either party at any time to require performance or compliance by the other of any of its obligations or agreement shall in no way affect the right to require such performance or compliance at any time thereafter. The waiver by either party of a breach of any provision hereof shall not be taken or held to be a waiver of any preceding or succeeding breach of such provision or as a waiver of the provision itself. No waiver of any kind shall be effective or binding, unless it is in writing and is signed by the party against whom such waiver is sought to be enforced.

26. Assignment. The CEO may not assign, in whole or in part, to a third party his obligations or commitments under this Contract.

27. Entire Agreement. This Contract is the full and complete agreement between the appearing parties. Any other prior agreement, contract or covenant shall not be construed as valid or in effect.

28. Amendments. Any amendments to this Contract must be made by agreement of the parties, in a written instrument executed by the parties or their legal representatives. Notwithstanding the foregoing, TSM has sole discretion to repeal, modify or create any standard, policy, rule or operational or employment condition of all employees, including compensation policies, benefits and insurance.

29. Section Headings. The headings included in this Contract have been added to facilitate its reading and analysis. At no time shall said headings be construed to constitute the agreement between the parties or amend the content of the terms that each one of them precedes.

30. Notices. All notices, if any, and all other communications, if any, required or permitted under this Agreement shall be in writing and hand delivered, sent via facsimile, sent by registered first class mail, postage pre-paid, or sent by nationally recognized express courier service. Such notices and other communications shall be effective upon receipt if hand delivered or sent via facsimile, three (3) days after mailing if sent by mail, to the following addresses, or such other addresses as any party shall notify the other parties:

If to the Company: Luis A. Clavell Rodríguez, Chairman of the Board of Directors, Triple-S Management Corporation, 1441 F.D. Roosevelt Avenue, San Juan, Puerto Rico 00920.

If to the CEO: Roberto García-Rodríguez, Triple-S Management Corporation, 1441 F.D. Roosevelt Avenue, San Juan, Puerto Rico 00920.

- 31. Counterparts.** This Agreement may be executed in two or more counterparts, each of which shall be deemed to be an original but all of which, taken together, constitute one and the same agreement.
- 32. Separability.** If any term of this Contract is declared void or illegal, the rest of its terms will continue in full force and effect.
- 33. Interpretation.** This Contract shall be construed and enforced in accordance with the laws of the Commonwealth of Puerto Rico.

SUCH IS THE AGREEMENT which the parties accept, acknowledge and sign in San Juan, Puerto Rico, on the date indicated above.

TRIPLE-S MANAGEMENT CORPORATION

s/Luis A. Clavell Rodríguez

By: Luis A. Clavell Rodríguez
Chairman of the Board of Directors
Triple-S Management Corporation

s/Roberto García Rodríguez

Roberto García Rodríguez

EXHIBIT A

TO EMPLOYMENT CONTRACT dated December 19, 2018 between Triple-S Management Corporation and Roberto García Rodríguez:

- 1) Base Salary: \$825,000
- 2) Fringe Benefits:
 - Family health insurance
 - Long term disability insurance
 - Life insurance
 - 401-K retirement savings plan

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Section 3: EX-10.2 (EXHIBIT 10.2)

Exhibit 10.2

NON-COMPETE AND NON-SOLICITATION AGREEMENT

This Non-Compete and Non-Solicitation Agreement ("Agreement") made as of the 19th day of December, 2018, between Triple-S Management Corporation (together with its successors, assigns, subsidiaries and Affiliates, the "Company"), and Roberto García Rodríguez, Esq. ("CEO").

WHEREAS, the Parties desire to enter into the Agreement pursuant to the terms, provisions and conditions set forth herein.

WHEREAS, considering the Company's size and its visibility as a New York Stock Exchange-traded company that reports its results to the public, the Company has attracted attention of other companies and businesses seeking to obtain for themselves or their customers some of the Company's business acumen and know-how; and

WHEREAS, the Company will share with CEO certain aspects of its business acumen and know-how as well as specific confidential and proprietary information about the products, markets, processes, costs, developments, ideas, and personnel of the Company; and

WHEREAS, the Company has imbued CEO with certain aspects of the goodwill that the Company has developed with its customers, distributors, representatives and employees, and with federal, state, local and foreign governmental entities; and

NOW, THEREFORE, in consideration of CEO's employment at the Company and of the premises and of the mutual covenants, understandings, representations, warranties, undertakings and promises hereinafter to set forth, intending to be legally bound thereby, the Parties agree as follows:

1. **Definitions.** As used in this Agreement, the following terms have the meanings indicated:

a. "Affiliate" shall mean any subsidiary or other entity that, directly or indirectly through one or more intermediaries, controls, is controlled by or is under common control with Triple-S Management Corporation, whether now existing or hereafter formed or acquired. For purposes hereof, "control" means the power to vote or direct the voting of sufficient securities or other interests to elect one-third of the directors or managers or to control the management of such subsidiary or other entity.

b. "Business" shall include, but is not limited to: (i) the offering and sale of managed care services and related products in the Commercial, Medicaid and Medicare markets; (ii) the offering and sale of health, life, accident, disability, property and casualty insurance; (iii) providing administration services only or self-insured ("ASO") managed care services; (iv) providing hospitals, care centers, physicians, clinics, home health care and affiliated services, among others services provided by the Company.

c. "Confidential Information" means information that is not generally known to the public (but for purposes of clarity, Confidential Information shall never exclude any such information that becomes known to the public because of CEO's unauthorized disclosure) and that is used, developed or obtained by the Company in connection with its business, including, but not limited to, information, observations and data obtained by CEO while employed by the Company concerning (A) the Business or affairs of the Company; (B) products or services; (C) fees, costs and pricing structures; (D) designs; (E) analyses; (F) drawings, photographs and reports; (G) computer software, including operating systems, applications and program listings; (H) flow charts, manuals and documentation; (I) databases; (J) accounting and business methods; (K) inventions, devices, new developments, methods and processes, whether patentable or non-patentable and whether or not reduced to practice; (L) customers and clients, customer or client lists and customer usage and requirements; (M) other copyrightable works; (N) all production methods, processes, technology and trade secrets; (O) research and development programs; (P) personnel evaluations and compensation data; and (Q) all similar and related information in whatever form. Confidential Information will not include any information that has been published in a form generally available to the public (except as a result of CEO's unauthorized disclosure or any third party's unauthorized disclosure resulting from any direct or indirect influence by CEO) prior to the date CEO proposes to disclose or use such information. Confidential Information will not be deemed to have been published or otherwise disclosed merely because individual portions of the information have been separately published, but only if all material features comprising such information have been published in combination.

d. "Engage" means participate in, consult with, be employed by, or assist with the organization, policy making, ownership, financing, management, operation or control of any Similar Business in any capacity (i.e. as independent contractor, consultant, employee, shareholder, member owner or business partner) in which, in the absence of this Agreement, Confidential Information, Inventions, Trade Secrets of the Company or Goodwill would reasonably be considered useful.

e. "CEO's Company Employment" means the time during which CEO is employed by any entity comprised within the definition of "Company", regardless of any change in the entity employing CEO.

f. "Goodwill" means any tendency of customers, distributors, representatives, employees, vendors, suppliers, or federal, state, local or foreign governmental entities to continue or renew any valuable business relationship with the Company or any Similar Business with which CEO may be associated, based in whole or in part on past successful relationships with the Company or the lawful efforts of the Company to foster such relationships, and in which CEO, or any personnel reporting directly to CEO, actively participated at any time during the most recent twelve (12) months of CEO's Company Employment.

g. "Inventions" means designs, discoveries, improvements and ideas, whether or not patentable or otherwise legally protectable, including, without limitation upon the generality of the foregoing, novel or improved products, processes, machines, promotional and advertising materials, business data processing programs and systems, and other manufacturing and sales techniques, which either (i) relate to (A) the business of the Company or (B) the Company's actual or demonstrably anticipated research or development, or (ii) result from any work performed by CEO for the Company.

h. "Similar Business" means the same or substantially the same business activity or activities performed or engaged by CEO for, or on behalf, of the Business of the Company or any of its Affiliates.

i. "Trade Secret(s)" means information, including a formula, pattern, compilation, program, device, method, technique or process, that derives independent economic value, actual or potential, from not being generally known to, and not being readily ascertainable by proper means by, other persons who can obtain economic value from its disclosure or use, and that is the subject of efforts to maintain its secrecy that are reasonable under the circumstances.

2. **Non-Competition.** CEO hereby acknowledges that CEO is familiar with the Confidential Information of the Company and its Affiliates. CEO acknowledges and agrees that the Company would be irreparably damaged if CEO – in any capacity (i.e. as independent contractor, consultant, employee, shareholder, member, owner or business partner) - were to provide services to any person directly or indirectly competing with the Company or any of its Affiliates or engaged in a Similar Business and that such competition by CEO would result in a significant loss of Goodwill by the Company. Therefore, in consideration of CEO's employment contract renewal and the grant of an amount equal to the Base Salary specified in the Amended Employment Contract, payable in twelve (12) monthly installments starting on the month following the date of the expiration or earlier termination of the Amended Employment Contract, CEO agrees that the following are reasonable restrictions and agrees to be bound by such restrictions:

- 2.1 During CEO's Company Employment, and for a period of twelve (12) months immediately following the termination of such employment for any reason, CEO shall not, directly or indirectly – in any capacity (i.e. as independent contractor, consultant, employee, shareholder, member, owner or business partner) - Engage in Similar Business services or activities where the Company is Engaged in Business in Puerto Rico or any other country; provided, that nothing herein shall prohibit CEO from being a passive owner of not more than 5% of the outstanding stock of any class of a corporation which is publicly traded so long as CEO does not have any active participation in the business of such corporation.
- 2.2 CEO warrants and represents that the nature and extent of this non-competition clause has been fully explained to CEO by the Company, and that CEO's decision to accept the same is made voluntarily, knowingly, intelligently and free from any undue pressure or coercion. CEO further warrants and represents that CEO has agreed to this non-competition clause in exchange for the compensation and benefits CEO is receiving under this Agreement.

3. **Non-solicitation.** CEO recognizes and admits that the Company has a legitimate business interest in retaining its employees, representatives, agents and/or consultants and of protecting its business from previous employees, representatives, agents and/or consultants, which makes necessary the establishment of a non-solicitation clause in the Agreement. In consideration of the CEO's compensation described in paragraph two (2) of this Agreement and the renewal of his contract as an employee of the Company, during the CEO's Company Employment and for a period of twelve (12) months following the termination of such employment, CEO shall not, directly or indirectly, (i) induce or attempt to induce any employee, representative, agent or consultant of the Company or any of its affiliates or subsidiaries to leave the employ or services of the Company or any of its affiliates or subsidiaries, or in any way interfere with the relationship between the Company or any of its affiliates or subsidiaries and any employee, representative, agent or consultant thereof or (ii) hire any person who was an employee, representative, agent or consultant of the Company or any of its affiliates or subsidiaries at any time during the twelve-month period immediately prior to the date on which such hiring would take place. No action by another person or entity shall be deemed to be a breach of this provision unless the CEO directly or indirectly assisted, encouraged or otherwise counseled such person or entity to engage in such activity.

4. **Reciprocal Non-disparagement.** During the Employment Period and always thereafter, neither CEO nor CEO's agents or representatives shall directly or indirectly issue or communicate any public statement, or statement likely to become public, that maligns, denigrates or disparages the Company or any of its Affiliates (including any of the Company's officers, director or employees). The foregoing shall not be violated by (i) truthful statements made in connection with the enforcement of this Agreement or in response to legal process or governmental inquiry or (ii) by private statements to the Company or any of Company's officers, directors or employees: provided, that in the case of CEO, with respect to clause (ii), such statements are made in the course of carrying out CEO's duties pursuant to this Agreement. Likewise, during the CEO's Company Employment and always thereafter, the Board shall use its reasonable best efforts to ensure that none of its members directly or indirectly issue or communicate any public statement, or statement likely to become public that maligns, denigrates or disparages CEO. The foregoing shall not be violated by (i) truthful statements made in connection with the enforcement of this Agreement or in response to legal process or governmental inquiry or by private statements made by the Company to any of Company's officers or directors.

5. **Future Employment.** During CEO's Company Employment and for twelve (12) months following the termination of such employment for any reason, before accepting any employment with any person or entity engaged in Similar Business, CEO shall disclose to the Company the identity of any such person or entity or Similar Business and a complete description of the duties involved in such prospective employment, including a full description of any territory or market segment to which CEO will be assigned. Further, during CEO's Company Employment and for twelve (12) months following the termination of such employment for any reason, CEO agrees that, before accepting any future employment, CEO will provide a copy of this Agreement to any prospective employer of CEO, and CEO hereby authorizes the Company to do likewise, whether before or after the outset of the future employment.

6. **Notices.** All notices, request, demands and other communications required or permitted hereunder shall be in writing and shall be deemed to have been duly given when delivered by hand or when mailed by United States certified or registered mail with postage prepaid addressed as follows:

If to CEO, to the address set forth by CEO on the signature page of this Agreement or to such other person or address which CEO shall furnish to the Company in writing pursuant to the above.

If to the Company, to the attention of the Company's Chief Legal Counsel and Corporate Secretary at the address set forth on the signature page of this Agreement or to such other person or address as the Company shall furnish to CEO in writing pursuant to the above.

7. **Enforceability.** CEO recognizes that irreparable injury may result to the Company, its business and property, and the potential value thereof in the event of a sale or other transfer, if CEO breaches any of the restrictions imposed on CEO by this Agreement, and CEO agrees that if CEO shall engage in any act in violation of such provisions, then the Company shall be entitled, in addition to such other remedies and damages as may be available, to an injunction prohibiting CEO from engaging in any such act.

8. **Successors and assigns.** This Agreement shall inure to the benefit of and be binding upon and enforceable by Triple-S Management Corporation, its successors, assigns and Affiliates, all of which are intended third-party beneficiaries of this Agreement. CEO hereby consents to the assignment of this Agreement to any person or entity.

9. **Severability.** It is fully the desire and intent of the Parties hereto that the provisions of this Agreement be enforced under the laws and public policies applied in each jurisdiction in which enforcement is sought. Upon a determination that any term or provision is invalid, illegal, or incapable of being enforced, the Parties agree that a reviewing court shall have the authority to "blue pencil" or modify this Agreement to render it enforceable and effect the original intent of the parties to the fullest extent permitted by applicable law. Any invalidity or unenforceability of any other provision of this Agreement is not intended to affect the validity or enforceability of any other provision of this Agreement, which the parties intend to be severable and divisible, and to remain in full force and effect to the greatest extent permissible under applicable law.

10. **Governing Law.** The laws of the Commonwealth of Puerto Rico, without reference to conflict of law principles thereof, shall be the controlling law in all matters relating to this Agreement.

11. **Miscellaneous.** No waiver by either party hereto at any time of any breach by the other party hereto of, or compliance with, any condition or provision of this Agreement to be performed by such other party shall be deemed a waiver of similar or dissimilar provisions or conditions at the same or at any prior or subsequent time. No agreements or representations, oral or otherwise, express or implied, with respect to the subject matter hereof have been made by either party which are not set forth expressly in this Agreement. This Agreement may be modified only by a written agreement signed by CEO and duly authorized officer of the Company.

IN WITNESS WHEREOF, the parties have executed this Agreement on the date and year above written.

s/Roberto García Rodríguez
Roberto García Rodríguez
CEO

s/Luis A. Clavell Rodríguez
Luis A. Clavell Rodríguez
Chairman of the Board of Directors
Triple-S Management Corporation