

TRIPLE-S MANAGEMENT CORP

Form DEF 14A

March 27, 2009

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**SCHEDULE 14A  
(Rule 14a-101)**

**INFORMATION REQUIRED IN PROXY STATEMENT  
SCHEDULE 14A INFORMATION**

**Proxy Statement Pursuant to Section 14(a) of the Securities  
Exchange Act of 1934**

Filed by the registrant

Filed by a party other than the registrant

Check the appropriate box:

Preliminary proxy statement

Definitive proxy statement

Confidential, for Use of  
the Commission Only (as  
permitted by  
Rule 14a-6(e)(2))

Definitive additional materials

Soliciting material pursuant to Rule 14a-11(c) or Rule 14a-12

**TRIPLE-S MANAGEMENT CORPORATION**

(Name of Registrant as Specified in its Charter)

(Name of Person(s) Filing Proxy Statement, if Other Than Registrant)

Payment of filing fee (Check the appropriate box):

No fee required

Fee computed on table below per Exchange Act Rules 14a-6(i)(1) and 0-11.

(1) Title of each class of securities to which transaction applies:

(2) Aggregate number of securities to which transactions applies:

(3) Per unit price or other underlying value of transaction computed pursuant to Exchange Act Rule 0-11 (Set forth the amount on which the filing fee is calculated and state how it was determined):

(4) Proposed maximum aggregate value of transaction:

(5) Total fee paid:

Fee paid previously with preliminary materials.

Check box if any part of the fee is offset as provided by Exchange Act Rule 0-11(a)(2) and identify the filing for which the offsetting fee was paid previously. Identify the previous filing by registration statement number, or the form or schedule and the date of its filing.

(1) Amount previously paid:

(2) Form, Schedule or Registration Statement no.:

(3) Filing Party:

(4) Date Filed:



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50 YEARS CARING FOR YOU

2009 Proxy Statement

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March 27, 2009

Dear Shareholders:

We cordially invite you to our Annual Meeting of Shareholders. The meeting will be held on Sunday, April 26, 2009 at 9:00 a.m. at the Ponce de León Rooms A, B, and C of the Condado Plaza Hotel, 999 Ashford Avenue in San Juan, Puerto Rico. At the meeting, shareholders will be asked to elect nominees for the Board of Directors, among other matters. Please note that there will be no luncheon following this year's meeting.

Your vote is very important. Please take the time to carefully read the proposals described in the attached Proxy Statement. It is important that your shares be represented and voted at the meeting. Whether you plan to attend or not, please sign, date, and return the proxy card solicited by our Board of Directors. You may vote by mail by sending the enclosed proxy card in the postage-paid envelope enclosed for your convenience. Also, you may vote by telephone or by internet at:

**TELEPHONE:**

1-800-PROXIES  
(1-800-776-9437)

Follow the instructions and have your proxy card available when you call.

**INTERNET:**

www.voteproxy.com  
Follow the on-screen instructions  
and  
have your proxy card available  
when you  
access the web page.

**BY MAIL:**

Use the prepaid envelope

We strongly encourage you to vote in the above mentioned manner. Shareholders who do not register their proxies before the day of the meeting may register them on Sunday, April 26, 2009, from 8:00 a.m. to 9:00 a.m.

In order to facilitate the registration process, we enclose a proxy card printed with your name. We are sure that this will contribute to the success of the proxy registration process.

This proxy statement and the accompanying proxy card are being mailed to our shareholders beginning on or about March 27, 2009.

**Your Board of Directors is counting on your participation. Your vote is important!**

Sincerely,

Luis A. Clavell-Rodríguez, MD  
Chairman of the Board

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**Triple-S Management Corporation  
P.O. Box 363628  
San Juan, Puerto Rico 00936-3628**

**NOTICE OF ANNUAL MEETING OF SHAREHOLDERS  
to be held on Sunday, April 26, 2009**

To our Shareholders:

NOTICE IS HEREBY GIVEN that our Annual Meeting of Shareholders for 2009 will be held at 9:00 a.m. on Sunday, April 26, 2009, at the Ponce de León Rooms A, B, and C of the Condado Plaza Hotel, 999 Ashford Avenue, San Juan, Puerto Rico.

At the meeting, shareholders will be asked to:

Elect three Group 2 directors for a three-year term; and

Consider any other business properly brought before the meeting.

Shareholders of record entitled to vote at the close of business on the record date, March 27, 2009, shall receive notice of and may vote at the meeting.

**Important Notice Regarding the Availability of Proxy Materials**

**For the Shareholder Meeting to Be Held on Sunday April 26, 2009**

**The Proxy Statement and Annual Report on Form 10-K are available at**

**<http://www.amstock.com/ProxyServices/ViewMaterial.asp?CoNumber=15701>**.

You are cordially invited to attend the meeting. Whether you plan to attend or not, please sign and return the enclosed proxy card in order to ensure the presence of a quorum at the meeting. A postage-paid envelope is enclosed for your convenience. **For further details please refer to the enclosed proxy card.**

By order of the Board of Directors,

**JESÚS. R. SÁNCHEZ-COLÓN, DMD**

Secretary of the Board

San Juan, Puerto Rico

March 27, 2009

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**ABOUT THE MEETING**

This proxy statement and the accompanying proxy card are being mailed to shareholders beginning on or about March 27, 2009.

**Who is soliciting my vote?**

The Board of Directors ( Board ) of Triple-S Management Corporation ( Corporation ) is soliciting your vote at the meeting.

**What am I being asked to vote on at the annual meeting?**

The election of three Group 2 directors for a three-year term (*see* page 7).

**What is the difference between holding shares as a stockholder of record and as a beneficial owner?**

If your shares of common stock are registered directly in your name with our transfer agent, American Stock Transfer & Trust Company, you are considered the stockholder of record with respect to those shares. The proxy materials have been sent directly to you by us.

If your Class B shares are held in a stock brokerage account or by a bank or other holder of record, you are considered the beneficial owner of shares held in street name. The proxy materials have been forwarded to you by your broker, bank or other holder of record who is considered, with respect to those shares, the stockholder of record. As the beneficial owner, you have the right to direct your broker, bank or other holder of record on how to vote your shares by using the proxy form or voting instructions included in the mailing or by following the instructions for voting by telephone or on the Internet.

If you beneficially own shares of the Corporation's Class B common stock, you must bring appropriate documentation provided by your broker, bank or other nominee to be present and personally vote at the annual meeting.

**Who is entitled to vote?**

Only shareholders of record at the close of business on the record date, March 27, 2009, (the Record Date ) are entitled to receive notice of the annual meeting and to vote at the meeting the shares of common stock that they held on the Record Date, or any postponement or adjournment thereof. Each share of common stock is entitled to one vote and all shares of each class of common stock shall vote together as a single class on all matters brought before the annual meeting. As of the close of business on March 19, 2008, there were 29,814,410 shares of the Corporation's common stock outstanding, consisting of 9,042,809 issued and outstanding Class A common stock ( Class A shares ) and 20,771,601 issued and outstanding Class B common stock ( Class B shares ). Class A shares and Class B shares are referred to collectively as common stock.

Please note that if you hold your shares in street name (that is, through a broker, bank or other nominee), you must bring appropriate documentation provided by your broker, bank or other nominee to be present and personally vote at the annual meeting.

**Who may be present at the annual meeting?**

Only stockholders of record and beneficial owners with appropriate documentation provided by their respective broker, bank or other nominee may be present at the annual meeting. No other person, including those persons accompanying a shareholder, will be allowed at the annual meeting.



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**What are the Board's recommendations?**

Unless you give other instructions on your proxy card, the persons named as proxy holders on the proxy card will vote in accordance with the recommendations of our Board. The Board's recommendation for each proposal is set forth below.

Election of Directors (page 7).

**The Board recommends a vote FOR each of these directors.**

With respect to any other matter that properly comes before the meeting, the proxy holders will vote as recommended by our Board or, if no recommendation is given, in their own discretion.

**How many shares must be present to hold the meeting?**

A majority of the issued and outstanding voting shares of common stock of the Corporation must be present to hold the annual meeting. If at the designated time quorum is not reached, the annual meeting will be postponed for a half hour, after which one-third (1/3) of the voting shares issued and outstanding will constitute a quorum. We urge you to vote by proxy even if you plan to attend the annual meeting so that we will know as soon as possible that enough voting shares will be present for us to hold the annual meeting.

**How do I vote?**

You can vote either in person at the meeting, by telephone, Internet or mail, whether or not you attend the meeting.

To vote *by mail*, you must fill out the enclosed proxy card, date and sign it, and return it in the enclosed postage-paid envelope.

To vote *by telephone* call toll-free 1-800-PROXIES (1-800-776-9437) from any touch-tone telephone and follow the instructions. Please have your proxy card available when you make the call.

To vote *by Internet* access [www.voteproxy.com](http://www.voteproxy.com) and follow the on-screen instructions. Have your proxy card available when you access the web page.

If you plan to vote by telephone or Internet, you may enter your voting instructions until noon Eastern Time the day before the annual meeting. After such time, voting instructions will not be accepted by telephone or Internet.

**Can I change my vote after I return my proxy card?**

Yes. A shareholder may revoke his or her proxy or change his or her vote at any time before the proxy is voted at the annual meeting. You can revoke your proxy or change your vote in one of four ways:

by sending a signed notice of revocation to our corporate secretary to revoke your proxy;

by sending to our corporate secretary a completed proxy card bearing a later date than your original proxy indicating the change in your vote;

by logging on to the Internet website specified on the proxy card in the same manner you would to submit your proxy electronically or calling the telephone number specified on the proxy card, and in each case following the instructions to revoke or change your vote; or

by attending the annual meeting and voting in person, which will automatically cancel any proxy previously given, or by revoking your proxy in person.

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If you choose any of the first two methods, you must take the described action no later than 9:00 a.m. on the date of the annual meeting. If you choose the third method, you have until noon Eastern Time the day before the annual meeting to enter instructions to revoke or change your vote. If your shares are held in street name by a broker, bank or other nominee, you must contact that institution to change your vote or, if you intend to be present and vote at the annual meeting, present the appropriate documentation provided by such broker, bank or other nominee.

**What vote is required to approve each proposal?**

*Election of Directors (Proposal 1).* The affirmative vote of a majority of the votes cast at the annual meeting is required for the election of directors. A properly executed proxy marked **WITHHOLD AUTHORITY** with respect to the election of one or more directors will not be voted with respect to the director or directors indicated, although it will be counted for purposes of determining whether there is a quorum. Abstentions and broker non-votes will have no legal effect on the election of directors. A broker non-vote occurs when a broker, bank or other nominee indicates on the proxy card that it does not have discretionary authority to vote on a particular matter.

**Who will bear the cost of soliciting proxies?**

We will bear the entire cost of soliciting proxies for the annual meeting. The original solicitation of proxies by mail may be supplemented by solicitation in person or by telephone, facsimile, or any other means by our directors, officers or certain persons on behalf of the members of our Board. Our Board intends to employ certain of our employees to solicit proxies on its behalf, and such employees will receive compensation based on the amount of proxies solicited and obtained. In addition, the Board may engage one or more solicitation agents to aid in the solicitation of proxies. We will bear the additional costs of such a solicitation, which, together with the costs of the preparation, assembly, printing and mailing of this proxy statement, the proxy form and any additional solicitation materials furnished to our shareholders, are not expected to exceed \$150,000. Proxy materials will be distributed at our expense by brokers, nominees, custodians, and other similar parties.

**Who will count the vote?**

Representatives of our transfer agent, American Stock Transfer & Trust Company, will tabulate the votes and act as inspectors of the election.

**Could other matters be decided at the meeting?**

We do not know of any other matters that may come before the annual meeting. However, if any new matter requiring the vote of our shareholders is properly presented before the annual meeting, proxies may be voted with respect thereto at the discretion of the proxy holders.

**What happens if the meeting is postponed or adjourned?**

Your proxy will still be good and may be voted at the postponed or adjourned meeting. You will still be able to change or revoke your proxy until it is voted.

**What should I receive?**

This proxy statement, our Annual Report, the Notice of Annual Meeting of Shareholders and the proxy card, which are being mailed to you on or about March 27, 2009. Our Annual Report includes our financial statements for the year ended December 31, 2008, duly audited by KPMG LLP, as independent registered public accounting firm.

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**Table of Contents****PRINCIPAL SHAREHOLDERS**

The following table shows the amount of the Corporation's Class B shares known to the Corporation to be beneficially owned (unless otherwise indicated in the footnotes) by each 5% shareholder of the Corporation as of March 19, 2008. The information is based on reports filed with the Securities and Exchange Commission (SEC). No shareholder owns 5% or more of the Corporation's Class A common stock.

**CLASS B COMMON STOCK**

Name and Business Address of Beneficial Owner <sup>1</sup>	Amount and Nature of Beneficial Ownership <sup>1</sup>	Percent of Class <sup>2</sup>
Gabe Hoffman <sup>3</sup> Accipiter Capital Management, LLC Candens Capital, LLC 666 5 <sup>th</sup> Avenue, 35 <sup>th</sup> Floor New York, NY 10103	1,767,170	8.23%
North Run Capital, LP <sup>4</sup> One International Place, Suite 2401 Boston, MA 02110	1,600,000	7.45%
SAB Capital Advisors, L.L.C. <sup>5</sup> SAB Capital Management, L.P. SAB Capital Management, L.L.C. Scott. A. Bommer 767 Fifth Avenue, 21 <sup>st</sup> Floor New York, NY 10153	1,323,781	6.17%
T. Rowe Price Associates, Inc. <sup>6</sup> 100 E. Pratt Street Baltimore, MD 21202	1,551,000	7.23%
Wellington Management Company, LLP <sup>7</sup> 75 State Street Boston, MA 02109	1,327,100	6.18%

<sup>1</sup> For purposes of this table, beneficial ownership is determined in accordance with Rule 13d-3 under the Securities Exchange Act of 1934, as amended.

Based on  
21,464,904  
Class B shares  
outstanding as of  
February 17,  
2009.

- <sup>3</sup> The information set forth above, except for the percentage ownership of the class of stock (see footnote 2 above), is based on information disclosed in a Schedule 13G (the Accipiter Filing ) filed with the SEC on February 17, 2009. According to the Accipiter Filing, Candens Capital, LLC is the beneficial owner of 1,257,025 Class B shares or approximately 5.86% of our outstanding Class B shares as a result of acting as general partner of various limited partnerships. Candens Capital, LLC shares voting and dispositive power with respect to all our Class B shares it beneficially owns. According to the Accipiter Filing, Mr. Gabe Hoffman is the beneficial owner

of 1,767,170  
Class B shares or  
approximately  
8.24% of our  
outstanding  
Class B shares as  
a result of acting  
as managing  
member of each  
of Accipiter  
Capital  
Management,  
LLC and  
Candens Capital,  
LLC.  
Mr. Hoffman  
shares voting and  
dispositive power  
with respect to all  
our Class B  
shares he  
beneficially  
owns.

- 4 The information set forth above is based on a Schedule 13G/A filed with the SEC on December 17, 2007, and represents shares held by North Run Master Fund, LP, for which North Run Capital, LP acts as investment manager. North Run Advisors, LLC is the general partner of North Run Capital, LP. North Run Advisors, LLC is also the general partner of North Run GP, LP, the special general

partner of North Run Master Fund, LP. Todd B. Hammer and Thomas B. Ellis are the sole members of North Run Advisors, LLC. North Run Capital, LP, North Run GP, LP, North Run Advisors, LLC, Mr. Hammer and Mr. Ellis have shared voting and dispositive power with respect to the shares and, as sole members of North Run Advisors, LLC, Messrs. Hammer and Ellis may direct the vote and disposition of such shares. Notwithstanding the foregoing, the percentage ownership of the class of stock is based on the information set forth in footnote 2 above.

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5 The information set forth above, except for the percentage ownership of the class of stock (see footnote 2 above), is based on information disclosed in a Schedule 13G (the SAB Filing ) filed with the SEC on February 17, 2009. According to the SAB Filing, each of SAB Capital Advisors, L.L.C., SAB Capital Management, L.P., SAB Capital Management, L.L.C., and Mr. Scott A. Bommer beneficially own 1,323,781 Class B shares or approximately 6.17% of our Class B Shares outstanding as of December 31, 2008. SAB Capital Advisors, L.L.C. and SAB Capital Management, L.P. serve as the general partner and investment

manager, respectively, of various funds. SAB Capital Management, L.L.C. serves as general partner to SAB Capital Management, L.P and Mr. Bommer is a managing member of both of SAB Capital Advisors, L.L.C. and SAB Capital Management, L.L.C. Each of SAB Capital Advisors, L.L.C., SAB Capital Management, L.P., SAB Capital Management, L.L.C., and Mr. Scott A. Bommer share voting and dispositive power with respect to all our Class B shares they beneficially own.

- <sup>6</sup> The information set forth above, except for the percentage ownership of the class of stock (see footnote 2 above), is based on information disclosed in a Schedule 13G (the T. Rowe



Price Filing )  
filed with the  
SEC on  
February 13,  
2009.

According to  
the T. Rowe  
Price Filing,  
these securities  
are owned by  
various  
individual and  
institutional  
investors for  
which T. Rowe  
Price  
Associates, Inc.

( Price  
Associates )  
serves as  
investment  
adviser with  
power to direct  
investments  
and/or sole  
power to vote  
the securities.  
For purposes of  
the reporting  
requirements of  
the Securities  
Exchange Act  
of 1934, Price  
Associates is  
deemed to be a  
beneficial owner  
of such  
securities;  
however, Price  
Associates  
expressly  
disclaims that it  
is, in fact, the  
beneficial owner  
of such  
securities.

<sup>7</sup> The information  
set forth above,  
except for the  
percentage

ownership of the class of stock (see footnote 2 above), is based on information disclosed in a Schedule 13G (the Wellington Filing ) filed with the SEC on February 17, 2009.

According to the Wellington Filing, these securities are owned by various clients for which Wellington Management Company, LLP ( Wellington ) serves as investment adviser with power to direct investments and/or sole power to vote the securities. For purposes of the reporting requirements of the Securities Exchange Act of 1934, Wellington is deemed to be a beneficial owner of such securities.

#### **STOCK OWNERSHIP OF DIRECTORS AND EXECUTIVE OFFICERS**

The following table shows the beneficial ownership of our common stock by our directors, nominees and certain executive officers as of March 19, 2008, and the number of shares beneficially owned by all directors and executive officers as a group:

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<b>Name and Position</b>	<b>Amount and Nature of Beneficial Ownership of Class A shares<sup>1</sup></b>	<b>Percent of Ownership<sup>2</sup></b>	<b>Amount and Nature of Beneficial Ownership of Class B shares<sup>1</sup></b>	<b>Percent of Ownership<sup>3</sup></b>
Luis A. Clavell-Rodríguez, MD, Chairman of the Board	17,218		21,111	
Valeriano Alicea-Cruz, MD, Director	2,026		3,303	
José Arturo Álvarez-Gallardo, Director	0		8,129	
Jorge L. Fuentes-Benejam, PE, Director	0		1,329	
Carmen Ana Culpeper-Ramírez, Director	0		2,529	
Porfirio E. Díaz-Torres, MD, Director	5,038 <sup>4</sup>		4,291	
Antonio F. Faría-Soto, Director	0		4,663	
Manuel Figueroa-Collazo, PE, PhD, Director	0		8,129	
José Hawayek-Alemañy, MD, Director	64,192 <sup>5</sup>		16,137	
Vicente J. León-Irizarry, CPA, Director	0		2,529	
Jaime Morgan-Stubbe, Esq., Director	0		1,329	
Roberto Muñoz-Zayas, MD, Director	21,269		22,060	
Juan E. Rodríguez-Díaz, Esq., Director	0		3,829	
Jesús R. Sánchez-Colón, DMD, Director	8,833 <sup>6</sup>		3,316	
Adamina Soto-Martínez, CPA, Director	0		2,629	
Ramón M. Ruiz-Comas, CPA, President, Chief Executive Officer, and Director	0		103,448	
Arturo Carrión-Crespo, CPA, Executive Officer	0		11,345	
Luis A. Marini-Mir, DMD, Executive Officer	1,000		4,828	
Socorro Rivas-Rodríguez, CPA, Executive Officer	0		34,582	
Juan Jose Rodríguez-Gilibertys, Esq., Executive Officer	0		200	
Juan J. Román-Jiménez, CPA, Executive Officer	0		36,632	
Eva G. Salgado-Micheo, Executive Officer	0		10,645	
Francisco Martorell-Basanta, Executive Officer	0		0	
Roberto García-Rodríguez., Esq., Executive Officer	0		0	
All our directors, nominees and executive officers as a group (24 persons)	119,576		256,612	

<sup>1</sup> For purposes of this table, beneficial ownership is determined in accordance with Rule 13d-3 under the Securities Exchange Act of 1934, as amended. No

options held by directors, nominees, and executive officers will vest before December 7, 2009.

- 2 Based on the number of shares of the Class A shares as of March 19, 2009.
- 3 Based on the number of shares of the Class B shares as of March 19, 2009.
- 4 Includes 2,000 shares owned by the spouse of Dr. Díaz-Torres.
- 5 Includes 51,000 shares and 3,000 shares owned by the Dr. Hawayek-Alemañy s mother in law and brother in law, respectively.
- 6 Includes 7,820 shares owned by the spouse of Dr. Sánchez-Colón.

CPA Ramón M. Ruiz-Comas is the President and Chief Executive Officer. Pursuant to our Articles of Incorporation and our Bylaws, the President is a member of our Board while acting in such capacity.

Less than one percent.

#### **SECTION 16(A) BENEFICIAL OWNERSHIP REPORTING COMPLIANCE**

Section 16(a) of the Securities Exchange Act of 1934 requires our directors and executive officers, and persons who own more than 10% of a registered class of our equity securities, to file with the SEC initial reports of ownership and reports of changes in ownership of our common stock and other equity securities. Officers, directors and greater than 10% stockholders are required by SEC regulation to furnish to us copies of all Section 16(a) forms they file.

To our knowledge, based solely on a review of the copies of such reports furnished to us and written representations that no other reports were required, during the fiscal year ended December 31, 2008, all Section 16(a)

filing requirements applicable to our officers, directors and greater than 10% beneficial owners were complied with, except one Form 4 for Mr. Rodríguez-Gilbertys that was inadvertently filed 67 days late.

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The Articles of Incorporation and Bylaws of the Corporation ( Bylaws ) establish that our Board shall consist of not less than nine (9) directors, nor more than nineteen (19) directors, from which at least the majority must be representatives of the community, as such term is defined by the Blue Cross and Blue Shield Association ( BCBSA ). The number of directors shall be fixed from time to time by resolution of the Board. The number of members of our Board has been fixed at 17 until the expiration of the term that ends on the date of the 2009 Annual Meeting of Shareholders. On January 27, 2009 our Board approved a resolution reducing its size to 13 members, effective on the date of the 2009 Annual Meeting of Shareholders. As a result of our Board's reduction in size, Group 2 of the directors will be comprised of three members instead of six members, and Group 3 will be comprised of six members instead of 7 as of the annual meeting. Therefore, at the annual meeting, shareholders will only be entitled to vote for the election of the three nominees proposed by the Board.

Our Board is a staggered board divided into three groups, currently consisting of 3, 6 and 7 directors, respectively. Each director serves for a term ending on the date of the third annual meeting of shareholders following the annual meeting at which such director was elected or until his successor has been elected and qualified. In the event that there is a vacancy on our Board, or a new directorship is created, our Board shall choose a successor by the affirmative vote of a majority of the current directors, or by an election at an annual or special meeting called for that purpose. A director elected to fill a vacancy shall be elected for the unexpired term of his or her predecessor in office or, if the vacancy is caused by an increase in the number of directors, until the next election of one or more directors by shareholders. In accordance with our Bylaws, the President and Chief Executive Officer is a member of the Board and is excluded from the three groups of directors.

**PROPOSAL 1: ELECTION OF THREE GROUP 2 DIRECTORS FOR A THREE-YEAR TERM**

At the meeting, three Group 2 directors will be elected to serve until the 2012 annual meeting of shareholders or until their respective successors are elected and qualified. The remaining 10 directors will continue to serve as directors, as follows: until the 2010 annual meeting of shareholders, in the case of the six current Group 3 directors (the seventh Group 3 directorship is vacant due to the resignation of Mr. Miguel Nazario Franco on April 3, 2008) and until the 2011 annual meeting of shareholders, in the case of the three current Group 1 directors, or in each case until their successors are elected and qualified.

The persons named as proxies in the accompanying proxy card have advised us that, unless otherwise instructed, they intend to vote at the meeting the shares covered by the proxies **FOR** the election of the three nominees named below, and that if any one or more of such nominees should become unavailable for election they intend to vote such shares **FOR** the election of such substitute nominees as the Board may propose. We have no knowledge that any nominee will become unavailable for election.

Our Articles of Incorporation and Bylaws require that each director receive a plurality of the votes cast. All nominees for election at the 2009 Annual Meeting are currently serving on the Board. If the shareholders do not elect a nominee who is serving as a director, Puerto Rico corporation law provides that the director will continue to serve on the Board as a hold over director until his or her successor is elected.

Information relating to principal occupation, business experience and directorships during the past five years (including positions held with us, age and the period during which each director has served) of the three nominees for election is set forth below.

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**NOMINEES FOR ELECTION****Group 2 Directors Terms Expiring in 2012**

*Luis A. Clavell-Rodríguez, MD (57)*. Since 2006, Dr. Clavell-Rodríguez has served on our Board, of

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which he is currently the Chairman. He currently serves as the Medical Director at the San Jorge Children's Hospital and as the Principal Investigator for the Children's Oncology Group and the Dana Farber Acute Lymphoblastic Leukemia Consortium at that institution. He held positions as professor of Pediatrics and Pathology at the University of Puerto Rico, School of Medicine and is a former Director of Pediatric Oncology and its training program in Pediatric Hematology/Oncology. He is certified by the National Board of Medical Examiners, the American Board of Pediatrics, and the Sub-Board of Pediatric Hematology/Oncology. He is also a member of the American Society of Hematology, American Society of Clinical Oncology and the American Society of Pediatric Hematology/Oncology. Dr. Clavell-Rodríguez received a BS degree from the Catholic University of Puerto Rico and an MD degree from the University of Puerto Rico, School of Medicine. He completed his training in Pediatrics at the University of California, School of Medicine, and fellowships training in Pediatric Hematology/Oncology at Harvard Medical School, Children's Hospital Medical Center in Boston, MA, and the Sidney Farber Cancer Institute in Boston, MA.

**Vicente J. León-Irizarry, CPA (70).** Since 2000, Mr. León-Irizarry has served on our Board, of which he is currently Vice-Chairman. He is a Certified Public Accountant (CPA) and since January 2002 has been a business consultant. Since February 2008, he has been a director of the UBS Puerto Rico Tax Free Family of Funds. He worked as consultant for Falcón-Sánchez & Associates, a certified public accounting firm, from February 2000 to December 2001, and as a business consultant from January 1999 to February 2000. He retired from the partnership of KPMG in 1998. He is a member of the Puerto Rico Society of Certified Public Accountants. He holds a BBA degree with a major in Accounting from the University of Puerto Rico.

**Jesús R. Sánchez-Colón, DMD (53).** Since 2000, Dr. Sánchez-Colón has served on our Board. He is currently Secretary of our Board. Dr. Sánchez-Colón is a dentist and has been in private practice since 1982. He is member of the College of Dental Surgeons of Puerto Rico, where he served as secretary and auditor. He currently serves as chairman of the board of directors of *B. Fernández & Hermanos, Inc.* He is also a member of the board of directors of B. Fernández Holding & Pan Pepin, Inc. He has been chairman of the board of directors of Delta Dental Plan of Puerto Rico and vice chairman of the board of directors of the Corporation for the Economic Development of the City of San Juan. Dr. Sánchez-Colón holds a BA degree in Psychology from St. Louis University, a DMD degree from the University of Puerto Rico, and a Postgraduate General Practice Residency at the Veterans Administration Hospital in San Juan, Puerto Rico.

**MEMBERS OF THE BOARD OF DIRECTORS**

In addition to the three nominees for election mentioned above, the following individuals are members of our Board, and will continue in such capacity following the 2009 Annual Meeting of Shareholders:

**Group 3 Directors Terms Expiring in 2010**

**Carmen Ana Culpeper-Ramírez (63).** Since 2004, Ms. Culpeper-Ramírez has served on our Board. She was Vice President of Investments for BBVA Securities in Puerto Rico in 2008. She served as the director of the Small Business Administration (SBA) for the Puerto Rico and U.S. Virgin Islands District from April 2004 until April 2007. From 2000 to March 2004, she was president and chief executive officer of C. Culpeper & Associates, a management consulting business, which offered organizational development, project and financial management services. She served as a member of the board of directors of Levitt Homes, Inc., Centennial Communications, Inc., Santander BanCorp, Intech de Puerto Rico and as chairwoman of the board of the San Juan Human Capital Development Board. From 1997 to 1999, Ms. Culpeper-Ramírez served as President of the Puerto Rico Telephone Company, the tenth largest telephone company in the United States, and was responsible for its sale to GTE/Verizon. From 1999 to 2000, she also served as president of the Puerto Rico Chamber of Commerce. She holds a BBA in Finance from the University of Puerto Rico and an MBA from the University of Pennsylvania, Wharton School of Business (International Business).

**Antonio F. Faría-Soto (60).** Mr. Faría-Soto has served on our Board since May 2007. From 2005 to 2006, Mr. Faría-Soto was Chairman of the board of directors and CEO of Doral Bank. Also he was president of Doral Money, a subsidiary of Doral Bank. From 2003 to 2004, Mr. Faría-Soto was President and CEO of the Government Development Bank of Puerto Rico, and he served as ex-officio member and Chairman of the boards of AFICA (infrastructure development financing vehicle for profit and non-profit organizations), the Economic Development





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Bank of Puerto Rico, the Tourism Development Fund, and the Children's Trust Fund. He also served as a member of the Boards of the Public Buildings Authority, Government Employees Retirement System Administration, Puerto Rico Telephone Authority Holdings Corp., Puerto Rico Industrial Development Company, Teacher's Retirement System, Ultracom, and Convention Center District Administration. Also, he has served as a member of the Governor's Economic Development Council for the Government of Puerto Rico, and as an ex-officio member of FIDA and Promo Expo. From 2002 to 2003, he served as President of the Economic Development Bank of Puerto Rico and from 2001 to 2002 he was Commissioner of the Office of Financial Institutions. He is currently a member of the board of directors of A. Cordero Badillo Inc. Mr. Faría-Soto holds a BBA from the Catholic University of Puerto Rico and an MBA in Finance from the Inter American University of Puerto Rico.

**Manuel Figueroa-Collazo, PE, PhD (57).** Since 2004, Mr. Figueroa-Collazo has served on our Board. Since 1999, Mr. Figueroa-Collazo is President of VERNET, Inc., an educational software development company located in Caguas, Puerto Rico. Mr. Figueroa-Collazo is also a member of the board of directors of INTECO, Puerto Rico Products Association and EPSCOR. He has fifteen years of experience in senior management positions and over twenty-five years of exposure at all management levels in the information and telecommunications industries. He was CEO for Lucent Technologies, Mexico and a Department Head at AT&T Bell Laboratories. Mr. Figueroa-Collazo holds BS, MS, and PhD degrees in Electrical Engineering from the Florida Institute of Technology, and attended Advanced Management Programs at INSEAD Fontainebleau, France, and the University of Pennsylvania, Wharton School of Business.

**Jaime Morgan-Stubbe, Esq. (50).** Mr. Morgan-Stubbe has served on our Board since May 2007. Since 2008 he is Chairman of the Board and President of Palmas del Mar Utility, Inc. Since 2000 he is an active member of the board of directors of the Puerto Rico Homebuilders Association and member of the Board of Trustees of the Palmas del Mar Academy. From 2002 to 2004 he served as a member of the Board of Trustees of the Baldwin School of Puerto Rico. Since 2000 he has served as President of Palmas del Mar Properties, Inc., a land and real estate development company and owner of the largest master planned residential-resort community in Humacao, Puerto Rico. Prior to becoming a real estate developer, Mr. Morgan was a business, corporate, real estate and tax attorney. He worked for the law firm of Goldman Antonetti & Córdova, P.S.C. He was director of the Economic Development Administration (FOMENTO), President of the Puerto Rico Industrial Development Company (PRIDCO), and Executive Director of the Puerto Rico Maritime Shipping Authority (Navieras de Puerto Rico), during his tenure in Government from 1993 to 1999. He graduated from Tulane University in New Orleans in 1980 and continued graduate studies in law at the University of Puerto Rico. Mr. Morgan has completed continued education courses on Corporate Board matters in the Harvard Executive Education Program (May 2008) and the Stanford Law School Directors College (June 2008), accredited by ISS.

**Roberto Muñoz-Zayas, MD (79).** Dr. Muñoz-Zayas has served on our Board since May 2007. He was President of the board of directors of the Regional Bank of Bayamón and the Bayamón Mortgage Loan Corp. He also served as a member of the board of directors of the Hospital Matilde Brenes, Inc. Dr. Muñoz-Zayas was the founder of the Puerto Rico Sports Medicine Federation. He also was President of the Athletics Federation of Puerto Rico, and he was President of the Hispano-American Colony of Puerto Rico, the Club Exchange in Bayamón, and the Federation of Sport Medicine of Puerto Rico. In 1973 Dr. Muñoz-Zayas was the Medical Director of the World Basketball Championship in San Juan, Puerto Rico. From 1974 to 2000, Dr. Muñoz-Zayas was Medical Director of the Olympic Committee of Puerto Rico and the Caribbean Series of Puerto Rico. He holds a BA degree in Science from the University of Puerto Rico, a PhD degree in Medicine from the University of Santiago de Compostela, and a Post-Graduate Degree from the Jacoby Municipal Hospital in New York.

**Juan E. Rodríguez-Díaz, Esq. (67).** Since December 2004, Mr. Rodríguez-Díaz has served on our Board. Mr. Rodríguez-Díaz is a commercial, corporate and tax attorney admitted to the practice of law in Puerto Rico and New York who currently works as senior and managing partner of Totti & Rodríguez Díaz. He has worked in various prestigious law firms including Baker & McKenzie, McConnell Valdés, and Sweeting, Pons, González & Rodríguez. Mr. Rodríguez-Díaz also served as Undersecretary of the Department of Treasury of Puerto Rico from 1971-1973. He serves as a member of the boards of directors of *Industrias Vassallo, Inc.*, Vassallo Research and Development, Luis Ayala Colón Sucrs., Inc. and the Puerto Rico Government Development Bank. Mr. Rodríguez-Díaz holds a BA degree

from Yale University, a JD degree from Harvard University and a Masters of Laws (L.L.M. in taxation) from New York University, School of Law.

**Table of Contents****Group 1 Directors Terms Expiring in 2011**

**José Hawayek-Alemañy, MD (60).** Since 2005, Dr. Hawayek-Alemañy has served on our Board. Since 1976, he serves as professor at the University of Puerto Rico, School of Medicine. From 1988 to 1998, he was Director of the Office of Graduate Medical Education at the University of Puerto Rico, School of Medicine and, from 1998 to 2002, he was Dean of Academic Affairs at the Medical Sciences Campus of the University of Puerto Rico. He is President of the OB-GYN Section of the Puerto Rico Medical Association. From 2000 to 2006 he represented Puerto Rico in the Maternal Mortality & Morbidity Committee of the American College of OB-GYN. From 2003 to 2005, he was Senate Member and Treasurer of the OB-GYN Section of the Medical College of Puerto Rico. He also served as President of the Medicare Carrier Advisory Committee in Puerto Rico. He holds a BS degree in pre-medicine from the University of Puerto Rico, Mayaguez Campus, an MD degree from the University of Puerto Rico, School of Medicine, and a Specialty in OB-GYN from University Hospital.

**Adamina Soto-Martínez, CPA (61).** Since 2002, Ms. Soto-Martínez has served on our Board. She is currently a Certified Public Accountant (CPA) and a partner and a founding member of the firm Kevane Grant Thornton, LLP (formerly Kevane Soto Pasarell Grant Thornton, LLP), certified public accountants, where she has worked since 1975. Ms. Soto-Martínez is a member of the Puerto Rico Society of Certified Public Accountants and the American Institute of Certified Public Accountants. She is a graduate of the University of Puerto Rico.

**Jorge L. Fuentes-Benejam, PE (60).** Mr. Fuentes-Benejam serves as a member of our Board since April 2008. Since 1986, he has been Chairman of the Board, President and Chief Executive Officer of Fuentes Concrete Pile Co. Inc. and related entities. Currently, Mr. Fuentes-Benejam is a member of the Board of Trustees of Interamerican University. He is also a member of the Board of Villa Pedres, Inc. (V. Suárez), Chairman of the Board of Trustees of SER de Puerto Rico (Easter Seals), and Chairman of the Board of Trustees of the Patronato del Palacio de Santa Catalina. Mr. Fuentes-Benejam is a licensed professional engineer who holds a BS in Mechanical Engineering from the University of Puerto Rico, Mayaguez Campus.

The terms of three current directors Mr. Arturo Álvarez-Gallardo, Dr. Porfirio Díaz-Torres and Dr. Valeriano Alicea-Cruz expire on April 26, 2009. They will not stand for re-election.

**MEETINGS OF THE BOARD OF DIRECTORS AND COMMITTEES**

Our Board holds scheduled meetings at least quarterly. Special Board meetings are held when convened by the Chairman, or by at least five directors. Our Board met 19 times during 2008, and all directors attended at least 75% of the meetings scheduled by the Board and the committees of which they were members.

The non-management directors regularly held executive sessions in which management did not participate. The Chairman of the Board presided at such sessions. In accordance with our Corporate Governance Guidelines, the independent members of our Board also met in executive session on at least one occasion. Because the Chairman of the Board is not an independent director, the Vice-Chairman of the Board, who is independent (or in his absence, another independent director selected by the independent directors present at the meeting), presides at such sessions.

While we encourage directors to attend our annual meeting of shareholders, we have not adopted a formal policy requiring director attendance at the annual meeting of shareholders. All of our directors attended the last annual meeting of shareholders.

**BOARD OF DIRECTORS INDEPENDENCE**

Our Board has determined that Mr. Álvarez-Gallardo, Ms. Culpeper-Ramírez, Mr. Figueroa-Collazo, Mr. Fuentes-Benejam, Mr. León-Irizarry, Mr. Rodríguez-Díaz, Ms. Soto-Martínez, Mr. Faría-Soto, Mr. Morgan-Stubbe and Dr. Muñoz-Zayas have no material relationship with the Corporation. Our Board has adopted the New York Stock Exchange ( NYSE ) director independence standards as guidelines for corporate governance policy. The previously mentioned directors are independent under these director independence standards as determined and approved by the Board. The complete text of the Corporation's independence standards is available at the Corporation's website at [www.triplesmanagement.com](http://www.triplesmanagement.com). Print copies of these standards may be obtained by calling

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(787) 749-4949 or writing to Ms. Eileen Perez, Manager, Triple-S Management Corporation, PO Box 363628, San Juan, PR 00936-3628.

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**COMMUNICATIONS WITH THE BOARD OF DIRECTORS**

Any shareholder or other interested party who desires to contact our Board, the presiding director, the non-management directors or independent directors as a group, or any of the Board's members individually may do so by addressing the correspondence to that individual or group, c/o Corporate Secretary, Triple-S Management Corporation, P.O. Box 363628, San Juan, P.R. 00936-3628. All correspondence addressed to a director will be forwarded to that director. The Board will give appropriate attention to written communications that are submitted by the shareholders and will respond if and as appropriate. Absent unusual circumstances or as contemplated by committee charters and subject to any required assistance or advice from legal counsel, the Chairman of the Board is responsible for monitoring communications from shareholders and for providing copies or summaries of such communications to the other directors as he considers appropriate. The Chairman will forward communications to all directors if they relate to important substantive matters or include important suggestions or comments that merit a director's attention. In general, communications related to corporate governance and long-term corporate strategy are more likely to be forwarded than communications related to ordinary business affairs, personal grievances, and matters as to which we tend to receive repetitive or duplicative communications.

Alternatively, a shareholder or other interested party may confidentially contact our Audit Committee by calling our EthicsPoint services at the toll-free number 1-866-384-4277 or electronically through [www.ethicspoint.com](http://www.ethicspoint.com). Communications will be received by the Audit Committee, and communications that are not related to accounting or auditing matters, may be discretionally forwarded by the Audit Committee or any of its members to other committees of the Board or management for review. Communications received by EthicsPoint are completely confidential and allow for shareholders and employees to report any violations or irregularities that could affect the Corporation.

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**CODE OF BUSINESS CONDUCT AND ETHICS**

The Board has established a code of business conduct and ethics that applies to our employees, agents, independent contractors, consultants, officers and directors. Any waiver of the code of business conduct and ethics may be made only by our Board and will be promptly disclosed as required by law or stock exchange regulations. Our Board has not granted any waivers to the code of business conduct and ethics. The complete text of the Code of Business Conduct and Ethics is available at the Corporation's website at [www.triplesmanagement.com](http://www.triplesmanagement.com). Print copies of the Code may be obtained by calling (787) 749-4949 or writing to Ms. Eileen Pérez, Manager, Triple-S Management Corporation, PO Box 363628, San Juan, PR 00936-3628.

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**STANDING COMMITTEES**

The Bylaws provide that our Board may, by resolution passed by a majority of the entire Board, designate one or more committees. The Corporation currently has the following standing committees: executive, corporate governance and nominations, compensation, audit, and investment and finance. All members of the standing committees serve for a one year term. In addition to these standing committees, we have a number of ad hoc committees. According to BCBSA requirements, neither non-independent directors nor our officers and employees, including those of our subsidiaries, can be members of the Compensation, Corporate Governance and Nominations, or Audit Committees.

A brief description of each of the Corporate Governance and Nominations Committee, Compensation Committee and the Audit Committee is set forth below:

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### **Corporate Governance and Nominations Committee**

In May 2008, the Corporate Governance Committee and the Nominations Committee were consolidated and became the Corporate Governance and Nominations Committee. The duties of the Corporate Governance and Nominations Committee are to (i) identify and recommend individuals who are best suited to become members of our Board and who will be presented as candidates endorsed by the Board at the annual meeting of shareholders, (ii) recommend to our Board the best qualified candidates to fill vacancies, (iii) evaluate the performance of the directors pursuant to criteria and objectives established by the Board from time to time, (iv) recommend to the Board the best qualified candidates to occupy the position of president of the Corporation, (v) develop and recommend to the Board a set of corporate governance guidelines and a code of business conduct and ethics, and oversee their compliance, (vi) review the corporate governance guidelines, code of business conduct and ethics, committee charters and other corporate documents at least once a year, and (vii) monitor Board compliance with the Corporation's independent director requirements, as established from time to time. The Committee also reviews and recommends a board composition that meets the independence criteria set forth by the NYSE, the BCBSA and good governance practices. It recommends the nomination of directors to terms of office which meet the BCBSA guidelines established for a staggered term board and reviews board members group evaluations. Based on these evaluations, the Committee may either recommend re-nominations or replacements when their terms expire, or if the member's term has not lapsed recommend corrective actions to address performance weaknesses. If the deficiencies are of a significant nature, the Committee may recommend the replacement of such director.

Prior to the consolidation of the two committees, the Nominations Committee met 4 times from January to February 2008, while the Governance Committee met 3 times from January to April 2008. Following their consolidation, the Corporate Governance and Nominations Committee met 6 times during the fiscal year ended on December 31, 2008. As of the Record Date, the members of the committee are: Mr. Álvarez-Gallardo, Chair of the committee, Mr. León-Irizarry, Mr. Morgan-Stubbe, and Mr. Rodríguez-Díaz. Each member of this Committee complies with the independence requirements that have been adopted and approved by the Board in compliance with NYSE rules.

The nominations process followed by the committee is as follows:

Shareholders may nominate candidates to the Board. Candidates recommended by shareholders will receive the same consideration, and be subject to the same review procedures, as candidates recommended otherwise. Information regarding candidates nominated by a shareholder must be addressed to the attention of the Secretary of the Board.

A shareholder may present a nominee at the annual meeting if he or she is a holder of record as of the applicable record date and such shareholder has delivered written notice of such proposal containing the information specified in our Bylaws not later than 120 days nor earlier than 150 days prior to the first anniversary of the preceding year's annual meeting.

The Corporate Governance and Nominations Committee's duties are to ensure that the Board has the plans, procedures, and resources needed to identify, recruit, and retain directors. The Committee will identify the individuals who, in their judgment, are best qualified to serve on the Board and present its recommendations to the Board for endorsement at the annual meeting. This Committee will also make recommendations to fill any vacancies in the Board that might arise from time to time.

Individuals interested in serving as directors must meet all legal and statutory requirements. These minimum requirements are contained in Article 6-2 of our Bylaws. They include the following: (a) not having filed for bankruptcy, nor granted a fraudulent general assignment for the benefit of creditors, (b) not have been convicted of a felony or grave misdemeanor which involves moral depravation or turpitude, and (c) comply with any applicable requirements under BCBSA rules.

The Corporate Governance and Nominations Committee develops qualifying criteria and is responsible for identifying, interviewing, and recommending to the Board those potential candidates that, in their

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judgment, are best qualified. Throughout this process, the Committee may verify that the selected individuals possess the following specific qualities or skills: (a) experience or relevant knowledge, (b) time availability and commitment, (c) good reputation, (d) analytical thinking, (e) ability to work as a team, (f) independent judgment, and (g) ability to verbalize and present ideas in a rational and eloquent fashion. In addition, the Corporate Governance and Nominations Committee may include other requirements that it may deem necessary to strengthen the Corporation and fulfill its needs as vacancies occur. This practice is aimed at complying with good corporate governance practices.

The Corporate Governance and Nominations Committee has the authority to hire and terminate the services of any professional third-party search firm to identify potential candidates for the position of director.

The committee identified and recommended the nominations of Dr. Luis A. Clavell-Rodríguez, Dr. Jesús R. Sánchez-Colón and Mr. Vicente León-Irizarry, each of whom is currently a member of our Board.

The Corporate Governance Committee and Nominations Committee charter and the Corporate Governance Guidelines are available at the Corporation's web site: [www.triplesmanagement.com](http://www.triplesmanagement.com). Print copies of the charter and the Corporate Governance Guidelines may be obtained by calling (787) 749-4949 or writing to Ms. Eileen Pérez, Manager, Triple-S Management Corporation, PO Box 363628, San Juan, PR 00936-3628.

**Compensation Committee**

The duties of the Compensation Committee are to (i) develop, recommend and review the compensation policies for our executive officers, (ii) recommend to the Board the compensation of our executive officers and (iii) recommend to the Board those changes to the compensation levels of our directors that it deems necessary. The Committee met 13 times during the fiscal year ended December 31, 2008. The Compensation Committee's charter is available at the Corporation's web site: [www.triplesmanagement.com](http://www.triplesmanagement.com). Print copies of the charter may be obtained by calling (787) 749-4949 or writing to Ms. Eileen Pérez, Manager, Triple-S Management Corporation, PO Box 363628, San Juan, PR 00936-3628.

For a complete discussion of the processes and procedures for the consideration and determination of executive and director compensation, please see the Compensation and Discussion Analysis in this proxy statement.

**COMPENSATION COMMITTEE INTERLOCKS AND INSIDER PARTICIPATION**

As of the Record Date, the members of the committee are: Ms. Soto-Martínez, Chair of the committee, Mr. Fuentes-Benejam, Mr. Muñoz-Zayas, and Mr. Figueroa-Collazo. Each member of this Committee complies with the independence requirements that have been adopted and approved by the Board in compliance with NYSE rules. None of the members of the Compensation Committee is or has been one of our executive officers or employees. None of our executive officers served on the board of directors' compensation committee of any other company for which any of our directors served as an executive officer at any time during 2008. Other than disclosed in Other Relationships, Transactions and Events in this proxy statement, none of the members of the Compensation Committee had any relationship with us requiring disclosure under Item 404 of SEC Regulation S-K.

**Audit Committee**

The Audit Committee reviews the following matters: (1) adequacy of internal controls and compliance with applicable laws and regulations, (2) activities/reports of the Internal Audit Office, (3) results from audits made by regulators, (4) our consolidated financial statements, and (5) the annual audit report prepared by the independent registered public accounting firm. In addition, the Audit Committee appoints the independent registered public accounting firm to serve as our external auditors and the Vice-President of Internal Audit, when such position becomes vacant. The Audit Committee Charter is available at the corporation's web site:

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[www.triplesmanagement.com](http://www.triplesmanagement.com). Print copies of the charter may be obtained by calling (787) 749-4949 or writing to Mr. Eileen Pérez, Manager, Triple-S Management Corporation, PO Box 363628, San Juan, PR 00936-3628.